United States Bankruptcy Court Southern - Texas
ENTERED
03/14/2017

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
ULTRA PETROLEUM CORP., *et al.*,[1]	§	Case No. 16-32202 (MI)
Debtors.	§	(Jointly Administered)
	§	**Re: Docket Nos. 1105, 1296, & 1308**

[REVISED PROPOSED] ORDER CONFIRMING THE DEBTORS' SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), having:[2]

a. commenced, on April 29, 2016 (the "Petition Date"), the Chapter 11 cases (the "Chapter 11 Cases") by filing voluntary petitions in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

b. continued to operate their businesses and manage their properties as debtors in possession in accordance with sections 1107(a) and 1108 of the Bankruptcy Code;

c. filed, (i) on December 6, 2016, (1) the *Debtors' Joint Chapter 11 Plan of Reorganization* [Docket No. 817], (2) *the Disclosure Statement for Debtors' Joint Chapter 11 Plan of Reorganization* [Docket No. 818], and the *Debtors' Motion for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement, (II) Approving the Solicitation and Notice Procedures with Respect to Confirmation of the Debtors' Proposed Joint Plan of Reorganization, (III) Approving the Forms of Ballots and Notices in Connection Therewith,*

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[1] The Debtors in the Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number (if any), are: Ultra Petroleum Corp. (3838); Keystone Gas Gathering, LLC; Ultra Resources, Inc. (0643); Ultra Wyoming, Inc. (6117); Ultra Wyoming LGS, LLC (0378); UP Energy Corporation (4296); UPL Pinedale, LLC (7214); and UPL Three Rivers Holdings, LLC (7158).

[2] Capitalized terms used but not otherwise defined in these findings of fact, conclusions of law, and order (collectively, the "Confirmation Order") have the meanings given to them in the *Debtors' Second Amended Joint Chapter 11 Plan of Reorganization*, attached hereto as **Exhibit A** (as may be amended, supplemented, or otherwise modified from time to time, and including all exhibits and supplements thereto, the "Plan"). The rules of interpretation set forth in Section 1.2 of the Plan apply to this Confirmation Order.

(IV) Approving the Rights Offering Procedures and Related Matters, and (V) Scheduling Certain Dates with Respect Thereto [Docket No. 819];

d. filed, on January 17, 2017, (i) the *Debtors' First Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 957] and (ii) the *Disclosure Statement for the Debtors' First Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 958];

e. filed, on February 8, 2017, (i) the *Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1082] and (ii) the *Disclosure Statement for the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1083];

f. filed, on February 13, 2017, (i) the *Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1105] and (ii) the *Disclosure Statement for the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1106];

g. obtained, on February 13, 2017, entry of the *Order (I) Approving the Adequacy of the Disclosure Statement, (II) Approving the Solicitation and Notice Procedures with Respect to Confirmation of the Debtors' Proposed Joint Plan of Reorganization, (III) Approving the Forms of Ballots and Notices in Connection Therewith, (IV) Approving the Rights Offering Procedures and Related Matters, and (V) Scheduling Certain Dates with Respect Thereto* [Docket No. 1115] (the "Disclosure Statement Order")[3] approving of the Disclosure Statement, solicitation procedures (the "Solicitation Procedures"), and related notices, forms, and ballots (collectively, the "Solicitation Packages");

h. caused the Solicitation Packages and notice of the Confirmation Hearing and the deadline for objecting to confirmation of the Plan to be distributed on or about February 17, 2017 (the "Solicitation Date"), in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Disclosure Statement Order, and the Solicitation Procedures, as evidenced by, among other things, the *Affidavit of Service of Solicitation Materials* [Docket No. 1276] (the "Solicitation Affidavit");

i. caused notice of the Confirmation Hearing (the "Confirmation Hearing Notice") to be published on February 21, 2017, in *USA Today* (national edition) and the *Houston Chronicle*, as evidenced by the *Affidavit of Publication of Notice of Hearing to Consider Confirmation of the Chapter 11 Plan Filed by the Debtors and Related Voting and Objection Deadlines (Houston Chronicle)* [Docket No. 1184] and the *Affidavit of Publication of Notice of Hearing to Consider Confirmation of the Chapter 11 Plan Filed by the Debtors and Related Voting and Objection Deadlines (National Edition USA Today)* [Docket No. 1185] (collectively, the "Publication Affidavits");

3 The Disclosure Statement Order was subsequently amended [Docket No. 1169].

j. filed, on March 3, 2017, the *Notice of Filing of Amended Supplement to Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1219] (the "First Amended Plan Supplement"); filed, on March 13, 2017, the *Notice of Filing of Second Amended Supplement to Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1313] (the "Second Amended Plan Supplement"); filed, on March 13, 2017, the *Notice of Filing of Third Amended Supplement to Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1317] (together with the First Amended Plan Supplement and the Second Amended Plan Supplement, the "Plan Supplement");

k. filed, on March 3, 2017, the *Notice of Filing of Certain Expert Reports in Connection with Confirmation of the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1218], containing the *Expert Report of Todd Snyder*, dated February 20, 2017, the *Supplement to Expert Report of Todd Snyder*, dated March 3, 2017, and the *Expert Report of Petrie Partners*, dated February 17, 2017 (collectively, the "Expert Reports");

l. filed, on March 10, 2017, the *Debtors' Memorandum of Law in Support of Confirmation of the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization and Omnibus Reply to Objections Thereto* [Docket No. 1296] (the "Confirmation Brief");

m. filed, on March 10, 2017, the *Declaration of Garland R. Shaw in Support of Confirmation of the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1297] (the "Shaw Declaration");

n. filed, on March 10, 2017, the *Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1308]; and

o. filed, on March 13, 2017, the *Declaration of Jane Sullivan of Epiq Bankruptcy Solutions, LLC Regarding the Solicitation of Votes and Tabulation of Ballots Cast on the Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1320] (the "Voting Report").

This Court having:

a. entered the Disclosure Statement Order on February 13, 2017 [Docket No. 1115], as amended on February 21, 2017 [Docket No. 1169];

b. set March 6, 2017 at 4:00 p.m. (prevailing Central Time) as the deadline for filing objections in opposition to the Plan;

c. set March 13, 2017, at 4:00 p.m. (prevailing Central Time) as the deadline for voting on the Plan;

d. set March 14, 2017, at 10:00 a.m. (prevailing Central Time) as the date and time for the commencement of the Confirmation Hearing in accordance with

Bankruptcy Rules 3017 and 3018 and sections 1126, 1128, and 1129 of the Bankruptcy Code;

e. reviewed the Plan, the Disclosure Statement, the Confirmation Brief, the Voting Report, and all pleadings, exhibits, statements, responses, and comments regarding Confirmation, including all objections, statements, and reservations of rights filed by parties in interest on the docket of the Chapter 11 Cases;

f. held the Confirmation Hearing;

g. heard the statements and arguments made by counsel with respect to Confirmation;

h. considered all oral representations, live testimony, written direct testimony, designated deposition testimony, exhibits, documents, filings, and other evidence presented at the Confirmation Hearing;

i. entered rulings on the record at the Confirmation Hearing held on March 14, 2017 (the "Confirmation Ruling");

j. overruled any and all objections to the Plan and to Confirmation, except as otherwise stated or indicated on the record, and all statements and reservations of rights not consensually resolved, agreed to, or withdrawn, unless otherwise indicated; and

k. taken judicial notice of all papers and pleadings filed in the Chapter 11 Cases.

NOW, THEREFORE, the Bankruptcy Court having found that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation have been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby; and the record of the Chapter 11 Cases and the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing including, without limitation, the Shaw Declaration, and the Expert Reports, establish just cause for the relief granted in the Confirmation Order; and after due deliberation thereon and good cause appearing therefor, the Bankruptcy Court hereby makes and issues the following findings of fact, conclusions of law, and order:

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Jurisdiction and Venue.

1. The Bankruptcy Court has subject matter jurisdiction over this matter under 28 U.S.C. § 1334. The Bankruptcy Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be approved and confirmed, respectively. The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008, to entry of a final order by the Bankruptcy Court in connection with this Confirmation Order to the extent that it is later determined that the Bankruptcy Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue in this Court was proper as of the Petition Date and continues to be proper under 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

B. Eligibility for Relief.

2. The Debtors were and continue to be entities eligible for relief under section 109 of the Bankruptcy Code.

C. Commencement and Joint Administration of the Chapter 11 Cases.

3. On the Petition Date, the Debtors commenced the Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On April 30, 2016, the Bankruptcy Court entered an order [Docket No. 40] authorizing the joint administration of the Chapter 11 Cases in accordance with Bankruptcy Rule 1015(b). The Debtors have operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

D. Appointment of the Committee.

4. On May 5, 2016, the U.S. Trustee appointed the Official Committee of Unsecured Creditors (the "Committee") to represent the interests of the unsecured creditors of the Debtors in the Chapter 11 Cases [Docket No. 102]. The Committee was reconstituted on September 26, 2016 [Docket No. 563].

E. Plan Supplement.

5. On March 3, 2017 and March 13, 2017, the Debtors filed versions of the Plan Supplement with the Bankruptcy Court. The Plan Supplement complies with the terms of the Plan, and the Debtors provided good and proper notice of the filing in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order, and the facts and circumstances of the Chapter 11 Cases. No other or further notice is or will be required with respect to the Plan Supplement. All documents included in the Plan Supplement are integral to, part of, and incorporated by reference into the Plan. The terms of all such documents remain subject to compliance with the conditions set forth in Section 9.1 of the Plan. Subject to the terms of the Plan, the Debtors reserve the right to alter, amend, update, or modify the Plan Supplement before the Effective Date subject to compliance with the Bankruptcy Code and the Bankruptcy Rules, provided that no such alteration, amendment, update, or modification shall be inconsistent with the terms of this Confirmation Order or the terms of the Plan.

F. Modifications to the Plan.

6. The Debtors have modified Article I.56 of the Plan as follows:

56. "*Exculpated Parties*" means each of the following, solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting HoldCo Noteholders; (d) the HoldCo Notes Indenture Trustee; (e)- the Consenting HoldCo Equityholders; (f) the Committee; (g) the Backstop Parties; (gh) the Exit Facility Agents; (h) i) the Exit Commitment Parties; (ij) the lenders under the Exit Facility; (jk) the Exit Notes Trustee; (kl) the Exit Noteholders; and (lm) with respect to each of the foregoing parties in clauses (a) through (kl), each of such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

7. The Debtors have modified Article I.145 of the Plan as follows:

145. "*OpCo RCF Agent*" means either (i) JPMorgan Chase Bank, N.A., as administrative agent with respect to the OpCo RCF or (ii) Wilmington Savings Fund Society, FSB, as successor administrative agent to JPMorgan Chase Bank, N.A., with respect to the OpCo RCF to the extent that Wilmington Savings Fund Society, FSB assumes the role as agent pursuant to a valid and effective assignment agreement between the applicable parties.

8. The Debtors have modified Article I.166 of the Plan as follows:

166. "*Released Parties*" means each of the following, solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting HoldCo Noteholders; (d) the HoldCo Notes Indenture Trustee; (e) the Consenting HoldCo Equityholders; (f) the Committee; (g) the Backstop Parties; (gh) the Exit Facility Agents; (hi) the Exit Commitment Parties; (ij) the lenders under the Exit Facility; (jk) the Exit Notes Trustee; (kl) the Exit Noteholders; (lm) all holders of Claims and Interests who vote to accept the Plan; (mn) all holders of Claims in Classes that are deemed to accept the Plan; (no) all holders of Claims and Interests in voting Classes who abstain from voting on the Plan and who do not opt out of the releases provided by the Plan; and (op) with respect to each of the foregoing parties in clauses (a) through (no), each of such Entity's current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

9. The Debtors have modified Article I.167 of the Plan as follows:

167. "*Releasing Parties*" means collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting HoldCo Noteholders; (d) the HoldCo Notes Indenture Trustee; (e) the Consenting HoldCo Equityholders; (f) the Committee; (g) the Backstop Parties; (gh) the Exit Facility Agents; (hi) the Exit Commitment Parties; (ij) the lenders under the Exit Facility; (jk) the Exit Notes Trustee; (kl) the Exit Noteholders; (lm) all holders of Claims and Interests who vote to accept the Plan; (mn) all holders of Claims in Classes that are deemed to accept the Plan; (no) all holders of Claims and Interests in voting Classes who abstain from voting on the Plan and who do not opt out of the releases provided by the Plan; and (op) with respect to each of the foregoing parties in clauses (a) through (no), each such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, principals, members, employees, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

10. The Debtors have modified Article VI.1 of the Plan as follows:

6.1 Distributions on Account of Claims Allowed and Existing HoldCo Common Stock Outstanding as of the Distribution Record Date

(a) **Delivery of Distributions in General**

Except as otherwise provided herein, a Final Order, or as otherwise agreed to by the Debtors or the Reorganized Debtors, as the case may be, and the holder of the applicable Claim or Interest, (or in the case of OpCo RCF Claims, the OpCo RCF Agent and the Debtors or the Reorganized Debtors), the Distribution Agent shall make distributions to holders of Allowed Claims and Existing HoldCo Common Stock, as applicable, as of the Distribution Record Date, at the address for each such holder as indicated on the Debtors' records as of the date of any such distribution, and in accordance with the Rights Offering Procedures.

If a Claim is not an Allowed Claim as of the Effective Date, the Distribution Agent shall distribute the full amount of the distributions that the Plan provides for holders of Allowed Claims in each applicable Class by no later than the later of (i) the date provided for distribution under Article III of the Plan and (ii) as soon as reasonably practicable after allowance of such Claim.

11. Pursuant to section 1127 of the Bankruptcy Code, the modifications to the Plan described or set forth in this Confirmation Order and the Plan filed on March 10, 2017 constitute technical changes, changes with respect to particular Claims by agreement with Holders of such Claims, or modifications that do not otherwise materially and adversely affect or change the treatment of any other Claim or Interest. These modifications are consistent with the disclosures previously made pursuant to the Disclosure Statement and solicitation materials served pursuant to the Disclosure Statement Order, and notice of these modifications was adequate and appropriate under the facts and circumstances of the Chapter 11 Cases.

12. In accordance with Bankruptcy Rule 3019, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or the resolicitation of votes under section 1126 of the Bankruptcy Code, and they do not require that Holders of Claims and Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan. Accordingly, the Plan, as modified, is properly before this Court and all votes cast with respect to the Plan prior to such modification shall be binding and shall apply with respect to the Plan.

G. Objections Overruled.

13. Any resolution or disposition of objections to Confirmation explained or otherwise ruled upon by the Bankruptcy Court on the record at the Confirmation Hearing is hereby incorporated by reference. All unresolved objections, statements, and reservations of rights are hereby overruled on the merits.

H. Disclosure Statement Order.

14. On February 13, 2017, the Bankruptcy Court entered the Disclosure Statement Order [Docket No. 1115], as subsequently amended [Docket No. 1169], which, among other things, fixed March 6, 2017 at 4:00 p.m. (prevailing Central Time) as the deadline for objecting to the Plan (the "Plan Objection Deadline") and March 13, 2017, at 4:00 p.m. (prevailing Central Time), as the deadline for voting to accept or reject the Plan (the "Voting Deadline"). The Disclosure Statement Order also set March 14, 2017, at 10:00 a.m. (prevailing Central Time) as the date and time for the Confirmation Hearing.

I. Transmittal and Mailing of Materials; Notice.

15. As evidenced by the Solicitation Affidavit, the Publication Affidavits, and the Voting Report, the Debtors provided due, adequate, and sufficient notice of the Plan, the Disclosure Statement, the Disclosure Statement Order, the Scheduling Orders, the Solicitation Packages, the Confirmation Hearing Notice, the Plan Supplement, and all the other materials distributed by the Debtors in connection with the Confirmation of the Plan in compliance with the Bankruptcy Rules, including Bankruptcy Rules 2002(b), 3017, 3019, and 3020(b), the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Local Rules"), and the procedures set forth in the Disclosure Statement Order. The Debtors provided due, adequate, and sufficient notice of the Voting and Plan Objection Deadline, the Confirmation Hearing (as may be continued from time to time), and any

applicable bar dates and hearings described in the Disclosure Statement Order and the Scheduling Orders in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and the Disclosure Statement Order. No other or further notice is or shall be required.

J. Solicitation.

16. The Debtors solicited votes for acceptance and rejection of the Plan in good faith, and such solicitation complied with sections 1125 and 1126, and all other applicable sections, of the Bankruptcy Code, Bankruptcy Rules 3017, 3018, and 3019, the Disclosure Statement Order, the Bankruptcy Local Rules, and all other applicable rules, laws, and regulations. The Solicitation Packages provided the opportunity for voting creditors to opt in or opt out of the releases.

K. Voting Report.

17. Before the Confirmation Hearing, the Debtors filed the Voting Report. The Voting Report was admitted into evidence during the Confirmation Hearing. The procedures used to tabulate ballots were fair and conducted in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and all other applicable rules, laws, and regulations.

18. As set forth in the Plan, Holders of Claims in Class 3 and Interests in Class 8 (collectively, the "Voting Classes") were eligible to vote on the Plan in accordance with the Solicitation Procedures. Holders of Claims in Classes 1, 2, 4, and 5 (collectively, the "Deemed Accepting Classes") are Unimpaired and conclusively presumed to accept the Plan and, therefore, did not vote to accept or reject the Plan. Holders of Intercompany Claims in Class 6 and Intercompany Interests in Class 7 either are Unimpaired and conclusively presumed to have accepted the Plan (to the extent reinstated) or Impaired and conclusively deemed to reject the

Plan, and, therefore, are not entitled to vote to accept or reject the Plan. Holders of Interests in Class 9 (the "Deemed Rejecting Class") are Impaired under the Plan, are entitled to no recovery under the Plan, and are therefore deemed to have rejected the Plan.

19. As evidenced by the Voting Report, each Voting Class voted to accept the Plan.

L. Bankruptcy Rule 3016.

20. The Plan and all modifications thereto are dated and identify the Entities submitting them, thereby satisfying Bankruptcy Rule 3016(a). The Debtors appropriately filed the Disclosure Statement and Plan with the Bankruptcy Court, thereby satisfying Bankruptcy Rule 3016(b). The injunction, release, and exculpation provisions in the Disclosure Statement and Plan describe, in bold font and with specific and conspicuous language, all acts to be enjoined and identify the entities that will be subject to the injunction, thereby satisfying Bankruptcy Rule 3016(c).

M. Burden of Proof.

21. The Debtors, as proponents of the Plan, have met their burden of proving the elements of sections 1129(a) and 1129(b) of the Bankruptcy Code by a preponderance of the evidence, the applicable evidentiary standard for Confirmation. Further, the Debtors have proven the elements of sections 1129(a) and 1129(b) by clear and convincing evidence. Each witness who testified on behalf of the Debtors in connection with the Confirmation Hearing was credible, reliable, and qualified to testify as to the topics addressed in his or her testimony.

N. Compliance with the Requirements of Section 1129 of the Bankruptcy Code.

22. The Plan complies with all applicable provisions of section 1129 of the Bankruptcy Code as follows:

a. **Section 1129(a)(1)—Compliance of the Plan with Applicable Provisions of the Bankruptcy Code.**

23. The Plan complies with all applicable provisions of the Bankruptcy Code, including sections 1122 and 1123, as required by section 1129(a)(1) of the Bankruptcy Code.

i. **Sections 1122 and 1123(a)(1)—Proper Classification.**

24. The classification of Claims and Interests under the Plan is proper under the Bankruptcy Code. In accordance with sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, Article III of the Plan provides for the separate classification of Claims and Interests into nine different Classes, based on differences in the legal nature or priority of such Claims and Interests (other than Administrative Claims, Professional Fee Claims, and Priority Tax Claims, which are addressed in Article II of the Plan and are not required to be designated as separate Classes by section 1123(a)(1) of the Bankruptcy Code). Valid business, factual, and legal reasons exist for the separate classification of such Claims and Interests, such classifications were not implemented for any improper purpose and do not unfairly discriminate between, or among, holders of Claims and Interests.

25. In accordance with section 1122(a) of the Bankruptcy Code, each Class of Claims or Interests contains only Claims or Interests that are substantially similar to the other Claims or Interests within that Class. Accordingly, the Plan satisfies the requirements of sections 1122(a), 1122(b), and 1123(a)(1) of the Bankruptcy Code.

ii. **Section 1123(a)(2)—Specification of Unimpaired Classes.**

26. Article III of the Plan specifies that Claims in Classes 1, 2, 4, and 5 are Unimpaired under the Plan and Claims and Interests in Classes 6 and 7 are either Impaired or Unimpaired under the Plan. In addition, Article II of the Plan specifies that Administrative Claims and Priority Tax Claims are Unimpaired, although the Plan does not classify these

Claims. Accordingly, the Plan satisfies the requirements of section 1123(a)(2) of the Bankruptcy Code.

iii. Section 1123(a)(3)—Specification of Treatment of Impaired Classes.

27. Article III of the Plan specifies the treatment of each Impaired Class under the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(3) of the Bankruptcy Code.

iv. Section 1123(a)(4)—No Discrimination.

28. Article III of the Plan provides the same treatment to each Claim or Interest in any particular Class, as the case may be, unless the holder of a particular Claim or Interest has agreed to a less favorable treatment with respect to such Claim or Interest. Accordingly, the Plan satisfies the requirements of section 1123(a)(4) of the Bankruptcy Code.

v. Section 1123(a)(5)—Adequate Means for Plan Implementation.

29. The Plan and the various documents included in the Plan Supplement provide adequate and proper means for the Plan's execution and implementation, including: (a) the restructuring of the Debtors' balance sheet and other financial transactions provided for by the Plan; (b) the New Organizational Documents; (c) the consummation of the transactions contemplated by the Plan Support Agreement, including the Rights Offering; (d) the borrowings under the Exit Facility; (e) a list of retained Causes of Action; (f) the Schedules of Assumed and Rejected Executory Contracts and Unexpired Leases (such assumptions and rejections, along with associated cure amounts, to be decided postpetition in accordance with the Disclosure Statement Order); (g) the cancellation of certain existing agreements, obligations, instruments, Claims, and Interests; (h) the continuance of certain agreements, obligations, instruments, and Interests, as provided in Article III of the Plan; (i) the vesting of the assets of the Debtors' Estates in the Reorganized Debtors; (j) the form of the Reorganized Debtors' Management

Incentive Plan; and (k) the execution, delivery, filing, or recording of all contracts, instruments, releases, and other agreements or documents in furtherance of the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(5) of the Bankruptcy Code.

vi. Section 1123(a)(6)—Non-Voting Equity Securities.

30. The New Organizational Documents prohibit the issuance of non-voting securities. Accordingly, the Plan satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

vii. Section 1123(a)(7)—Directors, Officers, and Trustees.

31. The manner for selection of the New Board is set forth in the Plan. The selection of the New Board is consistent with the interests of holders of Claims and Interests and public policy. Accordingly, the Plan satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code.

b. Section 1123(b)—Discretionary Contents of the Plan.

32. The Plan's discretionary provisions comply with section 1123(b) of the Bankruptcy Code and are not inconsistent with the applicable provisions of the Bankruptcy Code. Thus, the Plan satisfies section 1123(b).

i. Impairment/Unimpairment of Any Class of Claims or Interests.

33. Pursuant to the Plan, Article III of the Plan impairs or leaves unimpaired, as the case may be, each Class of Claims and Interests, as contemplated by section 1123(b)(1) of the Bankruptcy Code.

ii. Assumption and Rejection of Executory Contracts and Unexpired Leases.

34. Article V of the Plan provides for the assumption of the Debtors' Executory Contracts and Unexpired Leases as of the Effective Date unless such Executory Contract or

Unexpired Lease: (a) is identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (b) has been previously rejected by a Final Order; (c) is the subject of a motion to reject an Executory Contract or Unexpired Lease that is pending on the Confirmation Date, or pursuant to which the requested date of rejection is after the Effective Date; or (d) is the subject of an objection to assumption that is filed by March 21, 2017 at 4:00 p.m., prevailing Central Time (in which case, such contract or unexpired lease will only be assumed if the Bankruptcy Court overrules such objection or the parties resolve such objection to allow for such assumption).

iii. Compromise and Settlement.

35. Except as otherwise set forth in the Plan or herein, in accordance with section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided under the Plan and the support of the Plan Support Parties, the provisions of the Plan constitute a good-faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that all holders of Claims or Interests may have with respect to any Allowed Claim or Interest or any distribution to be made on account of such Allowed Claim or Interest. Such compromise and settlement is fair, equitable, and reasonable and in the best interests of the Debtors and their Estates.

36. The Plan incorporates an integrated compromise and settlement (the "Settlement") of numerous Claims, issues and disputes designed to achieve a beneficial and efficient resolution of the Chapter 11 Cases for all parties in interest. Accordingly, except as otherwise set forth in the Plan or herein, in consideration for the distributions and other benefits provided under the Plan, including the release, exculpation, and injunction provisions, the Plan shall constitute a good faith compromise and settlement of all claims and controversies resolved pursuant to the Plan, including, without limitation, the settlement of issues and disputes related to

certain contracts to which Debtors are a party and the valuation of the Debtors' businesses. Each component of the compromise and settlement, including the treatment of Claims and Interests pursuant to the Plan, is an integral, integrated and inextricably linked part of the Settlement.

37. Based upon the representations and arguments of counsel to the Debtors and all other testimony either actually given or proffered and other evidence introduced at the Confirmation Hearing and the full record of the Chapter 11 Cases, this Confirmation Order constitutes the Bankruptcy Court's approval of the Settlement incorporated in the Plan, because, among other things: (a) the Settlement reflects a reasonable balance between the possible success of litigation with respect to each of the settled claims and disputes, on the one hand, and the benefits of fully and finally resolving such claims and disputes and allowing the Debtors to expeditiously exit chapter 11, on the other hand; (b) absent the Settlement, there is a likelihood of complex and protracted litigation involving, among other things, the settled claims and disputes, with the attendant expense, inconvenience and delay that has a possibility to derail the Debtors' reorganization efforts; (c) each of the parties supporting the Settlement, including the Debtors and the Plan Support Parties, are represented by counsel that is recognized as being knowledgeable, competent, and experienced; (d) the Settlement is the product of arm's-length bargaining and good faith negotiations between sophisticated parties; and (e) the Settlement is fair, equitable, and reasonable and in the best interests of the Debtors, the Reorganized Debtors, their respective Estates and property, creditors, and other parties in interest, will maximize the value of the Estates by preserving and protecting the ability of the Reorganized Debtors to continue operating outside of bankruptcy protection and in the ordinary course of business and is essential to the successful implementation of the Plan. Based on the foregoing, the Settlement

satisfies the requirements of applicable Fifth Circuit law for approval of settlements and compromises pursuant to Bankruptcy Rule 9019.

38. The releases of the Debtors' directors, officers and managers are an integral component of the Settlement. The Debtors' directors, officers and managers: (a) made a substantial and valuable contribution to the Debtors' restructuring and the estates; (b) invested significant time and effort to make the restructuring a success and preserve the value of the Debtors' estates; and (c) are entitled to indemnification from the Debtors under state law, organizational documents, and agreements. Litigation by the Debtors against the Debtors' directors, officers and managers would be a distraction to the Debtors' business and restructuring and would decrease rather than increase the value of the estates. The releases of the Debtors' directors, officers and managers contained in the Plan have the consent (including deemed consent) of the Debtors and the Releasing Parties and are in the best interests of the estates.

iv. Debtor Release.

39. In accordance with section 1123(b)(3)(A) of the Bankruptcy Code, the releases of claims and Causes of Action by the Debtors described in Section 8.2 of the Plan (the "Debtor Release") represent a valid exercise of the Debtors' business judgment under Bankruptcy Rule 9019. The Debtors' or the Reorganized Debtors' pursuit of any such claims against the Released Parties is not in the best interests of the Estates' various constituencies because the costs involved would likely outweigh any potential benefit from pursuing such claims. The Debtor Release is fair and equitable and complies with the absolute priority rule.

40. Creditors and interest holders in the Voting Classes have voted in favor of the Plan, including the Debtor Release. The Plan, including the Debtor Release, was negotiated by sophisticated parties represented by able counsel and financial advisors. The Debtor Release is therefore the result of an arm's-length negotiation process.

41. The Debtor Release appropriately offers protection to parties that participated in the Debtors' restructuring process. Specifically, the Released Parties under the Plan—including the HoldCo Noteholder Committee and the Equityholder Committee, the Exit Facility Agents, the Exit Commitment Parties, the lenders under the Exit Facility, the Exit Notes Trustee, and the Exit Noteholders—made significant concessions and contributions to the Debtors' Chapter 11 Cases, including, as applicable, entering into the Plan Support Agreement and related agreements, actively supporting the Plan and the Chapter 11 Cases, settling and compromising substantial rights and claims against the Debtors under the Plan, committing to fund the $580 million Rights Offering, and committing to fund the $2.4 billion Exit Facility. The Debtor Release for the Debtors' directors, officers and managers is appropriate because the Debtors' directors, officers and managers share an identity of interest with the Debtors, supported the Plan and the Chapter 11 Cases, and actively participated in meetings, negotiations, and implementation of the restructuring during the Chapter 11 Cases, and have provided other valuable consideration to the Debtors to facilitate the Debtors' reorganization.

42. The scope of the Debtor Release is appropriately tailored under the facts and circumstances of the Chapter 11 Cases. In light of, among other things, the value provided by the Released Parties to the Debtors' Estates and the critical nature of the Debtor Release to the Plan, the Debtor Release is approved.

v. Release by Holders of Claims and Interests.

43. The release by the Releasing Parties (the "Third Party Release"), set forth in Section 8.3 of the Plan, is an essential provision of the Plan. The Third Party Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good-faith settlement and compromise of the claims and Causes of Action released by the Third Party Release; (c) materially beneficial to, and in the best interests of, the Debtors, their Estates,

and their stakeholders, and is important to the overall objectives of the Plan to finally resolve certain Claims among or against certain parties in interest in the Chapter 11 Cases; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; (f) a bar to any of the Releasing Parties asserting any claim or Cause of Action released by the Third Party Release against any of the Released Parties; and (g) consistent with sections 105, 524, 1123, 1129, and 1141 and other applicable provisions of the Bankruptcy Code.

44. The Third Party Release is an integral part of the Plan. Like the Debtor Release, the Third Party Release facilitated participation in both the Debtors' Plan and the chapter 11 process generally. The Third Party Release is instrumental to the Plan and was critical in incentivizing the parties to support the Plan and preventing potentially significant and time-consuming litigation regarding the parties' respective rights and interests. The Third Party Release was a core negotiation point in connection with the Plan Support Agreement and Exit Facility and instrumental in developing a Plan that maximized value for all of the Debtors' stakeholders and preserved the Debtors' business as a going concern. As such, the Third Party Release appropriately offers certain protections to parties who constructively participated in the Debtors' restructuring process by supporting the Plan through the Plan Support Agreement, Unimpaired Creditors whose claims are being satisfied in full in cash or otherwise receiving a full recovery, or holders of Claims or Interests that abstained from voting but did not opt out of the Third Party Release (to the extent such holders of Claims or Interests were entitled to opt out of the Third Party Release under the Plan). Furthermore, the Third Party Release is consensual as the parties in interest, including the Releasing Parties, were provided notice of the chapter 11 proceedings, the Plan, and the deadline to object to confirmation of the Plan, and voting creditors and interest holders were given the opportunity to opt in or opt out of the Third Party Release,

and the release provisions of the Plan were conspicuous, emphasized with boldface type in the Plan, the Disclosure Statement, and the ballots.

45. The scope of the Third Party Release is appropriately tailored under the facts and circumstances of the Chapter 11 Cases, and parties received due and adequate notice of the Third Party Release. Among other things, the Plan provides appropriate and specific disclosure with respect to the claims and Causes of Action that are subject to the Third Party Release, and no other disclosure is necessary. The Debtors, as evidenced by the Solicitation Affidavit, provided sufficient notice of the Third Party Release, and no further or other notice is necessary. The Third Party Release is specific in language, integral to the Plan, a condition of the Settlement, and given for substantial consideration. In light of, among other things, the value provided by the Released Parties to the Debtors' Estates and the critical nature of the Third Party Release to the Plan, the Third Party Release is approved.

vi. Exculpation.

46. The exculpation provisions set forth in Section 8.4 of the Plan are essential to the Plan. The record in the Chapter 11 Cases fully supports the exculpation and the exculpation provisions set forth in Section 8.4 of the Plan, which are appropriately tailored to protect the Exculpated Parties from unnecessary litigation.

vii. Injunction.

47. The injunction provisions set forth in section 8.5 of the Plan are essential to the Plan and are necessary to implement the Plan and to preserve and enforce the discharge, Debtor Release, the Third Party Release, and the exculpation provisions in Section 8.4 of the Plan. Such injunction provisions are appropriately tailored to achieve those purposes.

viii. Preservation of Claims and Causes of Action.

48. Section 4.18 of the Plan appropriately provides for the preservation by the Debtors of certain Causes of Action in accordance with section 1123(b)(3)(B) of the Bankruptcy Code. Causes of Action not released by the Debtors or exculpated under the Plan will be retained by the Reorganized Debtors as provided by the Plan. The Plan is specific with respect to the Causes of Action to be retained by the Debtors, and the Plan and Plan Supplement provide meaningful disclosure with respect to the potential Causes of Action that the Reorganized Debtors may retain, and all parties in interest received adequate notice with respect to such Causes of Action. The provisions regarding Causes of Action in the Plan are appropriate and in the best interests of the Debtors, their respective Estates, and Holders of Claims and Interests. For the avoidance of any doubt, Causes of Action released or exculpated under the Plan will not be retained by the Reorganized Debtors.

ix. Lien Releases.

49. Except as otherwise specifically provided in the Plan, the Exit Facility Documents (which, for the avoidance of doubt, includes the purchase agreement in connection with the issuance of the Exit Notes included in the Plan Supplement (the "Exit Notes Purchase Agreement")), the Management Incentive Plan, the OpCo Group Stipulation, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, to implement the Plan, it is necessary that all mortgages, deeds of trust, Liens, pledges, encumbrances, or other security interests against any property of the Debtors' Estates or rights related to any Claim or rights related to any Claim or Interest, including, without limitation, in connection with the HoldCo Notes Indentures, the OpCo Notes MNPA, the OpCo Notes, the OpCo RCF, and all Interests in HoldCo, be terminated, null and void, and of no effect and be fully released and discharged as set forth in Section 8.7 of the Plan (the "Lien Releases"). The provisions of the

Lien Releases are appropriate, fair, equitable and reasonable and in the best interests of the Debtors, their Estates, and holders of Claims and Interests.

x. **Additional Plan Provisions.**

50. The other discretionary provisions of the Plan, including the Plan Supplement, are appropriate and consistent with applicable provisions of the Bankruptcy Code, including, without limitation, provisions for the allowance of certain Claims and Interests, treatment of indemnification obligations, and the retention of court jurisdiction.

c. Section 1123(d)—Cure of Defaults.

51. Section 5.3 of the Plan provides for the satisfaction of Cure Claims associated with each Executory Contract and Unexpired Lease to be assumed in accordance with section 365(b)(1) of the Bankruptcy Code. Any monetary defaults under each Assumed Executory Contract or Unexpired Lease shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash, subject to the limitations described in Section 5.3 of the Plan, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. Any disputed cure amounts will be determined in accordance with the procedures set forth in Section 5.3 of the Plan, and applicable bankruptcy and nonbankruptcy law. As such, the Plan provides that the Debtors will cure, or provide adequate assurance that the Debtors will promptly cure, defaults with respect to assumed Executory Contracts and Unexpired Leases in accordance with section 365(b)(1) of the Bankruptcy Code. Thus, the Plan complies with section 1123(d) of the Bankruptcy Code.

d. Section 1129(a)(2)—Compliance of the Debtors and Others with the Applicable Provisions of the Bankruptcy Code.

52. The Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code,

including sections 1122, 1123, 1124, 1125, 1126, 1128, and 1129, and with Bankruptcy Rules 2002, 3017, 3018, and 3019.

53. The Debtors and their agents solicited votes to accept or reject the Plan after the Bankruptcy Court approved the adequacy of the Disclosure Statement, pursuant to section 1125(a) of the Bankruptcy Code and the Disclosure Statement Order.

54. The Debtors and their agents have solicited and tabulated votes on the Plan and have participated in the activities described in section 1125 of the Bankruptcy Code fairly, in good faith within the meaning of section 1125(e), and in a manner consistent with the applicable provisions of the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 8.4 of the Plan. The Debtors, the Consenting HoldCo Noteholders, the Consenting HoldCo Equityholders, and their respective agents and Affiliates have participated in good faith and in compliance with applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of the New Common Stock, and the Debtors, the Consenting HoldCo Noteholders, the Consenting HoldCo Equityholders, and their respective agents and Affiliates shall not be held liable on account of such participation for violation of any applicable law, rule, or regulation governing the offer, issuance, sale, or purchase of such securities.

55. The Debtors and their agents have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the offering, issuance, and distribution of recoveries under the Plan and therefore are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or distributions

made pursuant to the Plan, so long as such distributions are made consistent with and pursuant to the Plan.

e. Section 1129(a)(3)—Proposal of Plan in Good Faith.

56. The Debtors have proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Bankruptcy Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Plan itself, and the process leading to its formulation. The Debtors' good faith is evident from the facts and record of the Chapter 11 Cases, the Disclosure Statement, the hearing on the Disclosure Statement, and the record of the Confirmation Hearing and other proceedings held in the Chapter 11 Cases.

57. The Plan is the product of good faith, arm's-length negotiations by and among the Debtors, the Debtors' directors, officers and managers, the Plan Support Parties, the Committee, and the other constituencies involved in the Chapter 11 Cases. The Plan itself and the process leading to its formulation provide independent evidence of the Debtors' and such other parties' good faith, serve the public interest, and assure fair treatment of holders of Claims and Interests. Consistent with the overriding purpose of chapter 11, the Debtors filed the Chapter 11 Cases with the belief that the Debtors were in need of reorganization and the Plan was negotiated and proposed with the intention of accomplishing a successful reorganization and maximizing stakeholder value and for no ulterior purpose. Accordingly, the requirements of section 1129(a)(3) of the Bankruptcy Code are satisfied.

f. Section 1129(a)(4)—Court Approval of Certain Payments as Reasonable.

58. Any payment made or to be made by the Debtors, or by a person issuing securities or acquiring property under the Plan, for services or costs and expenses in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been

approved by, or is subject to the approval of, the Bankruptcy Court as reasonable. Accordingly, the Plan satisfies the requirements of section 1129(a)(4).

g. Section 1129(a)(5)—Disclosure of Directors, Officers and Managers and Consistency with the Interests of Creditors and Public Policy.

59. The identities of the Reorganized Debtors' directors, officers and managers, to the extent known, were disclosed prior to the Confirmation Hearing. To the extent that such directors, officers and managers are insiders, the nature of their compensation has been disclosed to the extent known and reasonably practicable. To the extent not known, the Reorganized Debtors' initial directors, officers and managers will be determined in accordance with the Plan.

60. Accordingly, the Debtors have satisfied the requirements of section 1129(a)(5) of the Bankruptcy Code.

h. Section 1129(a)(6)—Rate Changes.

61. The Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and therefore will not require governmental regulatory approval. Therefore, section 1129(a)(6) of the Bankruptcy Code does not apply to the Plan.

i. Section 1129(a)(7)—Best Interests of Holders of Claims and Interests.

62. The evidence in support of the Plan that was proffered or adduced at the Confirmation Hearing, and the facts and circumstances of the Chapter 11 Cases, establishes that each holder of Allowed Claims or Interests in each Class will recover as much or more value under the Plan on account of such Claim or Interest, as of the Effective Date, than the amount such holder would receive if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. As a result, the Debtors have demonstrated that the Plan is in the best interests of their creditors and equity holders and the requirements of section 1129(a)(7) of the Bankruptcy Code are satisfied.

j. Section 1129(a)(8)—Conclusive Presumption of Acceptance by Unimpaired Classes; Acceptance of the Plan by Certain Impaired Classes; Fairness of Plan with Respect to Deemed Rejecting Class.

63. The Deemed Accepting Classes are Unimpaired under the Plan and are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Nevertheless, because the Plan has not been accepted by the Deemed Rejecting Class, the Debtors seek Confirmation under section 1129(b), solely with respect to the Deemed Rejecting Class, rather than section 1129(a)(8), of the Bankruptcy Code. Although section 1129(a)(8) has not been satisfied with respect to the Deemed Rejecting Class, the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to the Deemed Rejecting Class and thus satisfies section 1129(b) of the Bankruptcy Code with respect to such Class as described further below. As a result, the requirements of section 1129(b) of the Bankruptcy Code are satisfied.

k. Section 1129(a)(9)—Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code.

64. The treatment of Administrative Claims, Professional Fee Claims, and Priority Tax Claims under Article II of the Plan satisfies the requirements of, and complies in all respects with, section 1129(a)(9) of the Bankruptcy Code.

l. Section 1129(a)(10)—Acceptance by at Least One Impaired Class.

65. As set forth in the Voting Report, each Impaired Class that was entitled to vote on the Plan has voted to accept the Plan. Specifically, holders of Claims in Class 3 and Interests in Class 8 voted to accept the Plan. As such, with respect to each Debtor's Plan there is either at least one class of Claims that is Impaired under the Plan and has accepted the Plan, determined without including any acceptance of the Plan by any insider (as defined by the Bankruptcy Code)

or each Class of Claims or Interests is treated as unimpaired under such Debtor's Plan. Accordingly, the requirements of section 1129(a)(10) of the Bankruptcy Code are satisfied.

m. Section 1129(a)(11)—Feasibility of the Plan.

66. The Plan satisfies section 1129(a)(11) of the Bankruptcy Code. The evidence supporting the Plan proffered or adduced by the Debtors at or before the Confirmation Hearing: (a) is reasonable, persuasive, credible, and accurate as of the dates such evidence was prepared, presented, or proffered; (b) has not been controverted by other persuasive evidence; (c) establishes that the Plan is feasible and Confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization; (d) establishes that the Debtors will have sufficient funds available to meet their obligations under the Plan—including sufficient amounts of Cash to reasonably ensure payment of, all Allowed Claims, Allowed Administrative Claims, Allowed Professional Fee Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, Allowed Secured Non-Tax Claims, Allowed OpCo Funded Debt Claims, and Allowed General Unsecured Claims that will receive cash distributions pursuant to the terms of the Plan, Oil and Gas Property Rights, and other expenses in accordance with the terms of the Plan and section 507(a) of the Bankruptcy Code; and (e) establishes that the Debtors or the Reorganized Debtors, as applicable, will have the financial wherewithal to pay any Claims that accrue, become payable, or are allowed by Final Order following the Effective Date.

67. Accordingly, the Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code.

n. Section 1129(a)(12)—Payment of Statutory Fees.

68. Section 2.4 of the Plan provides that all fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at the Confirmation Hearing in accordance with section 1128 of the Bankruptcy Code, will be paid by the applicable Debtor (on

the Effective Date) or each of the applicable Reorganized Debtors for each quarter (including any fraction of a quarter) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first. Accordingly, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

o. Section 1129(a)(13)—Retiree Benefits.

69. Pursuant to section 1129(a)(13) of the Bankruptcy Code, and as provided in Section 4.16 of the Plan, the Reorganized Debtors will continue to pay all obligations on account of retiree benefits (as such term is used in section 1114 of the Bankruptcy Code) on and after the Effective Date in accordance with applicable law. As a result, the requirements of section 1129(a)(13) of the Bankruptcy Code are satisfied.

p. Section 1129(a)(14), (15), and (16)—Domestic Support Obligations, Individuals, and Nonprofit Corporations.

70. The Debtors do not owe any domestic support obligations, are not individuals, and are not nonprofit corporations. Therefore, sections 1129(a)(14), 1129(a)(15), and 1129(a)(16) of the Bankruptcy Code do not apply to the Chapter 11 Cases.

q. Section 1129(b)—Confirmation of Plan Over Nonacceptance of Impaired Classes.

71. Notwithstanding the fact that the Deemed Rejecting Class has not accepted the Plan, the Plan may be confirmed pursuant to section 1129(b)(1) of the Bankruptcy Code because: (a) each Voting Class voted to accept the Plan; and (b) the Plan does not discriminate unfairly and is fair and equitable with respect to the Interests in the Deemed Rejecting Class. As a result, the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code. Thus, the Plan may be confirmed even though section 1129(a)(8) of the Bankruptcy Code is not satisfied. After entry of this Confirmation Order and upon the occurrence of the Effective Date, the Plan shall be binding upon the members of the Deemed Rejecting Class.

r. Section 1129(c)—Only One Plan.

72. Other than the Plan (including previous versions thereof), no other plan has been filed in the Chapter 11 Cases. Accordingly, the requirements of section 1129(c) of the Bankruptcy Code are satisfied.

s. Section 1129(d)—Principal Purpose of the Plan Is Not Avoidance of Taxes or Section 5 of the Securities Act.

73. No Governmental Unit has requested that the Bankruptcy Court refuse to confirm the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act. As evidenced by its terms, the principal purpose of the Plan is not such avoidance. Accordingly, the requirements of section 1129(d) of the Bankruptcy Code have been satisfied.

t. Section 1129(e)—Not Small Business Cases.

74. The Chapter 11 Cases are not small business cases, and accordingly, section 1129(e) of the Bankruptcy Code does not apply to the Chapter 11 Cases.

u. Satisfaction of Confirmation Requirements.

75. Based upon the foregoing and all other pleadings and evidence proffered or adduced at or prior to the Confirmation Hearing, the Plan and the Debtors, as applicable, satisfy all the requirements for plan confirmation set forth in section 1129 of the Bankruptcy Code.

v. Good Faith.

76. The Debtors have proposed the Plan in good faith, with the legitimate and honest purpose of maximizing the value of the Debtors' Estates for the benefit of their stakeholders. The Plan is the product of extensive collaboration among the Debtors and key stakeholders and accomplishes this goal. Accordingly, the Debtors or the Reorganized Debtors, as appropriate, have been, are, and will continue acting in good faith if they proceed to: (a) consummate the

Plan, the Restructuring Transactions, the Rights Offering, the Exit Facility Documents, the Exit Notes Purchase Agreement, the Management Incentive Plan, and the agreements, settlements, transactions, and transfers contemplated thereby; and (b) take the actions authorized and directed or contemplated by this Confirmation Order. Therefore, the Plan has been proposed in good faith to achieve a result consistent with the objectives and purposes of the Bankruptcy Code.

w. Disclosure: Agreements and Other Documents.

77. The Debtors have disclosed all material facts, to the extent applicable, regarding: (a) the adoption of the New Organizational Documents or similar constituent documents; (b) the identity of the initial members of the New Board to the extent known and selection process therefore; (c) the method and manner of distributions under the Plan; (d) the issuance of New Common Stock; (e) the adoption, execution, and implementation of the other matters provided for under the Plan, including those involving corporate action to be taken by or required of the Debtors or Reorganized Debtors, as applicable; (f) all compensation plans, including the Management Incentive Plan; (g) the Exit Facility; (h) the Rights Offering and Backstop Commitment Agreement; (i) securities registration exemptions; (j) the exemption under section 1146(a) of the Bankruptcy Code; (k) the retained Causes of Action; and (l) the adoption, execution, and delivery of all contracts, leases, instruments, securities, releases, indentures, and other agreements related to any of the foregoing.

x. Conditions to Effective Date.

78. The Plan shall not become effective unless and until the conditions set forth in Section 9.1 of the Plan have been satisfied or waived pursuant to Section 9.2 of the Plan.

y. Implementation.

79. All documents and agreements necessary to implement the transactions contemplated by the Plan, including those contained or summarized in the Plan Supplement, the

Exit Facility Documents, the Exit Notes Purchase Agreement, the New Organizational Documents, the Management Incentive Plan, and all other relevant and necessary documents have been negotiated in good faith and at arm's length, are in the best interests of the Debtors, and shall, upon completion of documentation and execution, be valid, binding, and enforceable documents and agreements not in conflict with any federal, state, or local law. The Debtors are authorized to take any action reasonably necessary or appropriate to consummate such agreements and the transactions contemplated thereby.

z. Vesting of Assets.

80. Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, including the Exit Facility Documents, the Opco Noteholder Group Stipulation, and the OpCo Group Stipulation, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. For the avoidance of doubt, on the Effective Date, the property of each Reorganized Debtor shall be subject to new liens pursuant to the terms of the Exit Facility Documents, the Opco Noteholder Group Stipulation and the OpCo Group Stipulation; *provided*, that, in the case of any new liens pursuant to the terms of the OpCo Group Stipulation and the Opco Noteholder Group Stipulation, such new liens shall be granted only with respect to the Reserve Account (as defined below) for the benefit of the holders of Disputed Class 4 Claims (as defined below) and for no other purposes and such liens shall be released upon the resolution of the Disputed Class 4 Claims and the release of all funds necessary to satisfy the Allowed Disputed Class 4 Claims from the Reserve Account. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property, and compromise or settle

any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

aa. Treatment of Executory Contracts and Unexpired Leases.

81. Pursuant to sections 365 and 1123(b)(2) of the Bankruptcy Code, upon the occurrence of the Effective Date, the Plan provides for the assumption of certain Executory Contracts and Unexpired Leases. The Debtors' determinations regarding the assumption of Executory Contracts and Unexpired Leases are based on and within the sound business judgment of the Debtors, are necessary to the implementation of the Plan and are in the best interests of the Debtors, their Estates, holders of Claims and Interests and other parties in interest in the Chapter 11 Cases.

bb. Exit Facility.

82. The Exit Facility is an essential element of the Plan, is necessary for confirmation and consummation of the Plan, and is critical to the overall success and feasibility of the Plan. Entry into the Exit Facility is in the best interest of the Debtors, their Estates, and all holders of Claims or Interests. The Debtors have exercised reasonable business judgment in determining to enter into the Exit Facility and have provided sufficient and adequate notice of the material terms of each tranche thereof, including by filing the Exit Notes Purchase Agreement and the other Exit Facility Documents as part of the Plan Supplement. The terms and conditions are fair and reasonable, and were negotiated in good faith and at arm's-length, and any credit extended to the Reorganized Debtors by the lenders pursuant to the Exit Facility shall be deemed to have been extended, made, assumed and assigned, issued, or made in good faith. Subject to the consultation and approval rights and conditions set forth in the Plan and the Plan Support Agreement, the Debtors are authorized without further approval of the Bankruptcy Court or any other party, to execute and deliver all agreements, guarantees, instruments, mortgages, control

agreements, certificates, and other documents or take any necessary action to confirm, extend, reinstate, or assign and assume such existing documents relating to the Exit Facility and to perform their obligations thereunder, including, without limitation, the payment or reimbursement of any fees, expenses, losses, damages, or indemnities.

cc. Objections.

83. All parties have had a full and fair opportunity to litigate all issues raised in the objections to Confirmation of the Plan, or which might have been raised, and the objections have been fully and fairly litigated or resolved, including by agreed-upon reservations of rights as set forth in this Confirmation Order.

II. ORDER

BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

84. This Confirmation Order confirms the Plan in its entirety.

85. This Confirmation Order approves the Plan Supplement, including the documents contained therein that may be amended through and including the Effective Date in accordance with and as permitted by the Plan. The terms of the Plan, the Plan Supplement, and the exhibits thereto are incorporated herein by reference and are an integral part of this Confirmation Order; *provided* that if there is any direct conflict between the terms of the Plan and the terms of this Confirmation Order, the terms of this Confirmation Order shall control solely to the extent of such conflict.

86. All holders of Claims and Interests that voted to accept the Plan are conclusively presumed to have accepted the Plan as modified.

87. The terms of the Plan, the Plan Supplement, all exhibits thereto, and this Confirmation Order shall be effective and binding as of the Effective Date on all parties in

interest, including, but not limited to: (a) the Debtors; (b) the Committee; (c) the Plan Support Parties, and (d) all holders of Claims and Interests.

88. The failure to include or refer to any particular article, section, or provision of the Plan, the Plan Supplement, or any related document, agreement, or exhibit does not impair the effectiveness of that article, section, or provision; it being the intent of the Bankruptcy Court that the Plan, the Plan Supplement, and any related document, agreement, or exhibit are approved in their entirety.

89. Each of the shares of New Common Stock shall be deemed "publicly traded securities" within the meaning of the definition of the "Distribution Record Date" under the Plan.

90. The Distribution Record Date for determining which holders of Allowed OpCo Note Claims are eligible to receive distributions under the Plan shall be March 17, 2017.

A. Objections.

91. To the extent that any objections (including any reservations of rights contained therein) to Confirmation have not been withdrawn, waived, or settled before entry of this Confirmation Order, are not cured by the relief granted in this Confirmation Order, or have not been otherwise resolved as stated on the record of the Confirmation Hearing, all such objections (including any reservation of rights contained therein) are hereby overruled in their entirety and on their merits.

B. Findings of Fact and Conclusions of Law.

92. The findings of fact and the conclusions of law set forth in this Confirmation Order constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by the Bankruptcy Court at the Confirmation Hearing in relation to Confirmation, including the Confirmation Ruling, are hereby incorporated into this

Confirmation Order. To the extent that any of the following constitutes findings of fact or conclusions of law, they are adopted as such. To the extent any finding of fact or conclusion of law set forth in this Confirmation Order (including any findings of fact or conclusions of law announced by the Bankruptcy Court at the Confirmation Hearing and incorporated herein) constitutes an order of this Court, it is adopted as such.

C. Post-Confirmation Modification of the Plan.

93. Subject to the limitations and terms contained in section 10.1 of the Plan, the Debtors are hereby authorized to amend or modify the Plan at any time prior to the substantial consummation of the Plan, but only in accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, without further order of this Court.

D. Plan Classification Controlling.

94. The terms of the Plan shall solely govern the classification of Claims and Interests for purposes of the distributions to be made thereunder and the classifications set forth on the ballots tendered to or returned by the holders of Claims or Interests in connection with voting on the Plan: (a) were set forth thereon solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of Claims and Interests under the Plan for distribution purposes; (c) may not be relied upon by any holder of a Claim or Interest as representing the actual classification of such Claim or Interest under the Plan for distribution purposes; and (d) shall not be binding on the Debtors except for voting purposes.

E. General Settlement of Claims and Interests.

95. Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Final Effective Date, the provisions of the Plan shall constitute a good faith

compromise and settlement of all Claims, Interests, Causes of Action, and controversies resolved pursuant to the Plan. All distributions made to holders of Allowed Claims and Interests in any Class are intended to be and shall be final.

F. Restructuring Transactions.

96. On the Effective Date, or as soon as reasonably practicable thereafter in the case of clauses (2), (3), (4), and (6) below, the Reorganized Debtors shall take all actions as may be necessary or appropriate in accordance with the Plan Support Agreement to effectuate the Restructuring Transactions, including, without limitation: (1) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan and Plan Support Agreement, and that satisfy the requirements of applicable law and any other terms in accordance with the Plan to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan, and having other terms in accordance with the Plan to which the applicable Entities agree, that are necessary to consummate the Plan; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (4) such other transactions that are required to effectuate the Restructuring Transactions; (5) the execution and delivery of the Exit Facility Documents; and (6) other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law and in accordance with the Plan, but in each case only to the extent not inconsistent with the Plan Support Agreement, the Backstop Commitment Agreement and the Exit Facility Documents.

G. Corporate Action.

97. On the Effective Date, or as soon thereafter as is reasonably practicable in the case of clauses (1), (5), (6), (7), and (8) below, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including, as applicable: (1) the adoption and/or filing of the New Organizational Documents; (2) the selection of the directors, managers, and officers for the Reorganized Debtors, including the appointment of the New Board; (3) the authorization, issuance, and distribution of New Common Stock, including upon the exercise of the Holdco Equityholder Subscription Rights and Holdco Noteholder Subscription Rights; (4) the execution of and entry into the Exit Facility Documents; (5) the execution of and entry into the Registration Rights Agreement; (6) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases (subject to the other provisions of this Confirmation Order); (7) the implementation of the Restructuring Transactions; and (8) all other actions contemplated by the Plan or the Exit Facility Documents (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors and any corporate action required by the Debtors or the other Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors, Reorganized HoldCo, or the other Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the Restructuring Transactions, including the Exit Facility Documents) in the name of and on behalf of the Reorganized Debtors, including any and all

other agreements, documents, Securities, and instruments relating to the foregoing, to the extent not previously authorized by the Bankruptcy Court.

H. Continued Corporate Existence and Vesting of Assets in the Reorganized Debtors.

98. Except as otherwise provided in the Plan or this Confirmation Order, each of the Debtors will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all of the powers of such a legal entity under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, conversion, dissolution or otherwise) under applicable law, and on the Effective Date, all property of the Estate of a Debtor, and any property acquired by a Debtor or Reorganized Debtor under the Plan, will vest in the applicable Reorganized Debtors, free and clear of all Claims, liens, charges, other encumbrances, Interests and other interests.

99. On and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire and dispose of property and compromise or settle any claims without supervision or approval by this Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or this Confirmation Order.

I. Plan Implementation Authorization.

100. The Debtors or the Reorganized Debtors, as the case may be, and their respective directors, officers, members, agents, and attorneys, financial advisors, and investment bankers are authorized and empowered from and after the date hereof to negotiate, execute, issue, deliver, implement, file, or record any contract, instrument, release, or other agreement or document related to the Plan, as the same may be modified, amended and supplemented, and to take any action necessary or appropriate to implement, effectuate, consummate, or further evidence the Plan in accordance with its terms and the terms hereof, or take any or all corporate actions

authorized to be taken pursuant to the Plan or this Confirmation Order, whether or not specifically referred to in the Plan or any exhibit thereto, without further order of the Bankruptcy Court. To the extent applicable, any or all such documents shall be accepted upon presentment by each of the respective state filing offices and recorded in accordance with applicable state law and shall become effective in accordance with their terms and the provisions of state law. Pursuant to section 10.301 of the Business Organization Code of the State of Texas and any comparable provision of the business corporation laws of any other state, as applicable, no action of the Debtors' boards of directors or the Reorganized Debtors' boards of directors will be required to authorize the Debtors or Reorganized Debtors, as applicable, to enter into, execute and deliver, adopt or amend, as the case may be, any such contract, instrument, release, or other agreement or document related to the Plan, and following the Effective Date, each of the Plan documents will be a legal, valid, and binding obligation of the Debtors or Reorganized Debtors, as applicable, enforceable against the Debtors and the Reorganized Debtors in accordance with the respective terms thereof. The Debtors may also take additional steps on the Effective Date to consolidate and streamline their organization, including, among other things, the merger, liquidation, or consolidation of one or more of the Debtors, including, but not limited to, Keystone Gas Gathering, LLC, Ultra Resources, Inc., Ultra Wyoming, Inc., Ultra Wyoming LGS, LLC, UP Energy Corporation, UPL Pinedale, LLC, and UPL Three Rivers Holdings, LLC. On or prior to the Effective Date, the Debtors or Reorganized Debtors may effectuate the conversion of (i) UP Energy Corporation, a Nevada corporation, to UP Energy Corporation, a Delaware corporation, (ii) Ultra Resources, Inc., a Wyoming corporation, to Ultra Resources, Inc., a Delaware corporation, and (iii) Ultra Wyoming, Inc., a Wyoming corporation, to Ultra Wyoming, LLC, a Delaware limited liability company.

J. The Exit Facility.

101. On the Effective Date, the Reorganized Debtors are authorized to and shall (i) enter into the Exit Facility, the terms of which are set forth in the Exit Facility Documents, filed as part of the Plan Supplement, including any collateral agency agreement, notes, guarantees, collateral agreements, mortgages, or other documents or agreements delivered, executed, or entered in connection therewith, (ii) grant such Liens and security interests as necessary to provide security for the Debtors' obligations under the Exit Facility Documents, in accordance with the terms thereof, (iii) perform all of their obligations under the Exit Facility Documents, (iv) make all payments of fees and reimbursement of expenses contemplated by the Exit Facility Documents and Exit Financing Agreements (including without limitation, fees and expenses of counsel to the Exit Commitment Parties), and the Exit Commitment Parties shall be paid in accordance with the terms thereof without any approval of any party in interest or any further order of the Bankruptcy Court, and (v) make such other modifications or amendments to the Exit Facility Documents as the Debtors and the Exit Commitment Parties may deem necessary or desirable in connection with the pricing or closing of the Exit Facility and the Exit Notes Purchase Agreement and the implementation thereof. This Confirmation Order constitutes approval of the Exit Facility (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Debtors or the Reorganized Debtors, as applicable, in connection therewith), to the extent not approved by the Bankruptcy Court previously, and all previous modifications or amendments to the Exit Facility Documents and Exit Financing Agreements are ratified, to the extent not approved by the Bankruptcy Court previously. The Reorganized Debtors are authorized to execute and deliver any documents, or take any other action, necessary or appropriate or desirable in connection with the consummation of the transactions contemplated by the Exit Facility

Documents, without further notice to or order of the Bankruptcy Court, act, or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Reorganized Debtors and the Exit Commitment Parties may deem to be necessary to consummate the Exit Facility.

102. The terms of the Exit Facility are fair and reasonable, and the Exit Facility was negotiated in good faith and at arm's-length by the Debtors and the Exit Commitment Parties, and the guarantees, mortgages, pledges, encumbrances, Liens, and other security interests granted pursuant to the Exit Facility Documents are granted in good faith as inducement to the lenders thereunder to extend credit thereunder or the holders of the Exit Notes to purchase and make an investment in such Exit Notes, and shall be deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such Liens and security interests shall be as set forth in the Exit Facility Documents, including any collateral agency agreement.

103. On the Effective Date of the Plan, all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents and any collateral agency agreement, (b) shall be deemed automatically attached and perfected on the Effective Date of the Plan, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents, and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law; and the Reorganized Debtors and the Entities granting such Liens and

security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish, attach, and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law or desirable to give notice of such Liens and security interests to third parties.

104. On the Effective Date of the Plan, all of the guarantees to be made or granted by any of the Reorganized Debtors in accordance with the Exit Facility Documents (a) shall be legal, binding, and enforceable guarantees by each such Reorganized Debtor in accordance with the terms of the Exit Facility Documents, and (b) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law.

105. On the Effective Date of the Plan, and subject to the terms and conditions of the Exit Facility Documents, all of the mortgages and deeds of trust granted to the Exit Commitment Parties shall be in full force and effect and (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, and (b) shall be deemed automatically attached and perfected on the Effective Date of the Plan, subject only to such Liens and security interests as may be permitted under the Exit Facility Documents.

K. Rights Offering.

106. The Rights Offering is in the best interests of the Debtors, their Estates, and their stakeholders, and is necessary and appropriate for the consummation of the Plan and operations of the Reorganized Debtors. The Debtors have provided sufficient and adequate notice of the Rights Offering to all parties in interest in the Chapter 11 Cases. The terms and conditions of the Rights Offering Shares, as set forth in the Rights Offering Procedures, are, in each case, fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are approved.

L. Cancellation of Notes, Instruments, Certificates, and Other Documents.

107. On the Effective Date, except to the extent otherwise provided in the Plan or this Confirmation Order: (i) the obligations of the Debtors under the HoldCo Notes Indentures, the OpCo Notes MNPA, the OpCo Notes, the OpCo RCF, all Interests in HoldCo, and each certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument, document, or agreement, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest shall be cancelled and discharged and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (ii) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificates or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged; *provided*, that notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture agreement, note, or other instrument or document that governs the rights of the holder of a Claim or Interest shall continue in effect solely for purposes of: (i) enabling the holder of such Claim

or Interest to seek allowance, and receive distributions on account of such Claim or Interest under the Plan as provided herein or therein; (ii) preserving the OpCo RCF Agent's right to any unpaid compensation or reimbursement of expenses (including reasonable legal fees) incurred prior to or following the Petition Date, and indemnification in accordance with the OpCo RCF; (iii) permitting the OpCo RCF Agent to enforce any obligations owed to it under the OpCo RCF and the Plan; (iv) preserving the HoldCo Notes Indenture Trustee's right to compensation and indemnification under the applicable HoldCo Notes Indenture as against any money or property distributable to Holders of HoldCo Notes Claims, including without limitation, permitting the HoldCo Notes Indenture Trustee to maintain, enforce and exercise its respective Indenture Trustee Charging Liens against such distributions; and (v) permitting the HoldCo Notes Indenture Trustee to enforce any obligations owed to it under the Plan; *provided*, *further*, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, this Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan or the Confirmation Order; *provided*, *further*, that, notwithstanding sections 3.2(d)(2)-(3) of the Plan, the Reorganized Debtors will pay all amounts due to the OpCo RCF Agent upon presentation of invoices in customary format and without the need for the OpCo RCF Agent to file any application for approval of such payment with the Bankruptcy Court; *provided, further*, that nothing in this paragraph shall effect a cancellation of any New Common Stock, Intercompany Interests, or Intercompany Claims.

108. On and after the Effective Date, all duties and responsibilities of the HoldCo Notes Trustee and OpCo RCF Agent shall be discharged, unless otherwise specifically set forth in or provided for under the Plan or the Plan Supplement, except that with respect to the OpCo

RCF Agent, such duties shall not be discharged to the extent necessary or appropriate to seek collection and allowance of any Claims against the Debtors under the OpCo RCF (including the Claims of the OpCo RCF Agent and the other holders of the OpCo RCF Claims) and/or any related documents and to receive and make distributions on account of and to the holders of the OpCo RCF Claims; *provided*, that nothing in this paragraph shall affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, this Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan or the Confirmation Order; *provided, further*, that notwithstanding sections 3.2(d)(2)-(3) of the Plan, the Reorganized Debtors will pay all amounts due to the OpCo RCF Agent upon presentation of invoices in customary format and without the need for the OpCo RCF Agent to file any application for approval of such payment with the Bankruptcy Court.

M. Approval of Consents and Authorization to Take Acts Necessary to Implement Plan.

109. This Confirmation Order shall constitute all authority, approvals, and consents required, if any, by the laws, rules, and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, and any documents, instruments, securities, or agreements, and any amendments or modifications thereto.

N. The Releases, Injunction, Exculpation, and Related Provisions Under the Plan.

110. The following releases, injunctions, exculpations, and related provisions set forth in Article VIII of the Plan are incorporated herein in their entirety, are hereby approved and authorized in all respects, are so ordered, and shall be immediately effective on the Effective Date without further order or action on the part of this Court or any other party:

a. Debtor Release.

111. **Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions (but excluding Avoidance Action brought as counterclaims or defenses to Claims asserted against the Debtors), the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the Rights Offering, the Backstop Commitment Agreement, the Exit Facility, the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan, or upon any other act**

or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (b) any individual from any claim related to an act or omission that is determined in a Final Order by a court competent jurisdiction to have constituted actual fraud or willful misconduct.

112. **Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by the Debtor Release; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.**

b. Release by Holders of Claims or Interests.

113. **Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Claims and Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether**

individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, any Avoidance Actions, the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the Rights Offering, the Backstop Commitment Agreement, the Exit Facility, the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release: (a) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction; (b) any post-Effective Date obligations of any party or Entity under the Plan Support Agreement, the Backstop Commitment, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Plan Supplement; or (c) any

individual from any claim related to an act or omission that is determined in a Final Order by a court competent jurisdiction to have constituted actual fraud or willful misconduct.

114. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Section 8.3 of the Plan, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Bankruptcy Court's finding that each release described in Section 8.3 of the Plan is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of such Claims; (5) in the best interests of the Debtors and their Estates; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to any of the Releasing Parties asserting any claim or Cause of Action released pursuant to Section 8.3 of the Plan.

c. *Exculpation.*

115. Notwithstanding anything contained herein to the contrary, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or Filing of the Plan Support Agreement, the Backstop Commitment Agreement and related prepetition transactions, the Disclosure Statement, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in

connection with the Disclosure Statement, the Plan, the Plan Supplement, the Plan Support Agreement, the Rights Offering, the Backstop Commitment Agreement, the Exit Facility, the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan, except for claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud or willful misconduct, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Consummation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of, and distribution of, consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

d. *Injunction.*

116. Except as otherwise provided herein or for obligations issued pursuant hereto, all Entities that have held, hold, or may hold Claims or Interests that have been released pursuant to Section 8.3 of the Plan, discharged pursuant to Section 8.1 of the Plan, or are subject to exculpation pursuant to Section 8.4 of the Plan shall be permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties, or the Exculpated Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such

Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Entity has timely asserted such setoff right in a document Filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a Claim or Interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests discharged, released, exculpated, or settled pursuant to the Plan.

O. Assumption and Cure of Executory Contracts.

117. The provisions governing the treatment of Executory Contracts and Unexpired Leases set forth in Article V of the Plan (including the procedures regarding the resolution of any and all disputes concerning the assumption or rejection, as applicable, of such Executory Contracts and Unexpired Leases) shall be, and hereby are, approved in their entirety. For the avoidance of doubt, on the Effective Date, except as otherwise provided in the Plan and under the Backstop Approval Order, all Executory Contracts and Unexpired Leases will be deemed assumed and assigned to the Reorganized Debtors in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, regardless of whether such

Executory Contract or Unexpired Lease is set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, other than any Executory Contract or Unexpired Lease that: (a) is identified on the Schedule of Rejected Executory Contracts and Unexpired Leases; (b) has been previously rejected by a Final Order; (c) is the subject of a motion to reject an Executory Contract or Unexpired Lease that is pending on the Confirmation Date, or pursuant to which the requested date of rejection is after the Effective Date; or (d) is the subject of an objection to assumption that is filed by March 21, 2017 at 4:00 p.m., prevailing Central Time (in which case, such contract or unexpired lease will only be assumed if the Bankruptcy Court overrules such objection or the parties resolve such objection to allow for such assumption); *provided* that notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time through and including 45 days after the Effective Date. This Confirmation Order constitutes approval of such assumptions and the rejection of the Executory Contracts or Unexpired Leases listed on the Rejected Executory Contract and Unexpired Lease Schedule pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise specified on a schedule to the Plan or notice sent to a given party, each Executory Contract and Unexpired Lease listed or to be listed thereon shall include any and all modifications, amendments, supplements, restatements and other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such Executory Contract or Unexpired Lease, without regard to whether such agreement, instrument or other document is listed thereon.

118. Unless a party to an Executory Contract objects to the Cure Costs identified in the Plan Supplement and any amendments thereto, as applicable, by the deadline established

pursuant to the Disclosure Statement Order, March 21, 2017, the Debtors shall pay such Cure Costs in accordance with the terms of the Plan and the assumption of any Executory Contract or Unexpired Lease, pursuant to the Plan or otherwise, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any disputed Cure Costs shall be determined in accordance with the procedures set forth in Section 5.3 of the Plan, and applicable bankruptcy and nonbankruptcy law.

P. Provisions Governing Distributions.

119. The distribution provisions of Article VI of the Plan shall be, and hereby are, approved in their entirety. Except as otherwise set forth in the Plan or this Confirmation Order, the Debtors or Reorganized Debtors, as applicable, shall make all distributions required under the Plan. The timing of distributions required under the Plan or this Confirmation Order shall be made in accordance with and as set forth in the Plan or this Confirmation Order, as applicable.

Q. Release of Liens.

120. Except as otherwise specifically provided in the Plan, the Exit Facility Documents, the Management Incentive Plan, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, encumbrances, or other security interests against any property of the Estates or rights related to any Claim or Interest, including, without limitation, the HoldCo Notes Indentures, the OpCo Notes MNPA, the OpCo Notes, the OpCo

RCF, and all Interests in HoldCo, shall be terminated, null and void, and of no effect and shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, encumbrances, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors or any holder of a Secured Claim. The Holders of Secured Claims shall be authorized and directed to release any collateral or other property of any Debtor (including any Cash collateral) held by such Holder and to take such actions as may be requested by the Debtors (or the Reorganized Debtors, as the case may be) to evidence the release of any Liens, including the execution, delivery, and filing or recording of such release documents as may be requested by the Debtors (or the Reorganized Debtors, as the case may be). The future holders of liens under the Exit Facility Documents (collectively, the "New Liens") are hereby authorized to file, with the appropriate authorities, financing statements and other documents (the "Perfection Documents") in order to evidence the New Liens, subject, in all cases, to any collateral agency agreement. Notwithstanding anything in the Plan or this Confirmation Order to the contrary, if such Perfection Documents are filed prior to the Effective Date, then upon cancellation of the prior liens on the collateral subject to the New Liens, (i) such Perfection Documents shall be valid, binding, and in full force and effect, and (ii) the New Liens shall become obligations of the Reorganized Debtors, subject, in all cases, to any collateral agency agreement.

R. Post-Confirmation Notices, Professional Compensation, and Bar Dates.

121. In accordance with Bankruptcy Rules 2002 and 3020(c), no later than seven Business Days after the Effective Date, the Reorganized Debtors must cause notice of Confirmation and occurrence of the Effective Date (the "Notice of Confirmation") to be served by United States mail, first-class postage prepaid, by hand, by overnight courier service, or by

electronic service to all parties served with the Confirmation Hearing Notice; *provided*, that no notice or service of any kind shall be required to be mailed or made upon any Entity to whom the Debtors mailed a Confirmation Hearing Notice but received such notice returned marked "undeliverable as addressed," "moved, left no forwarding address," "forwarding order expired," or similar reason, unless the Debtors have been informed in writing by such Entity, or are otherwise aware, of that Entity's new address. For those parties receiving electronic service, filing on the docket is deemed sufficient to satisfy such service and notice requirements.

122. To supplement the notice procedures described in the preceding sentence, no later than 10 Business Days after the Effective Date, the Reorganized Debtors must cause the Notice of Confirmation, modified for publication, to be published on one occasion in *USA Today* (national edition) and the *Houston Chronicle*. Mailing and publication of the Notice of Confirmation in the time and manner set forth in this paragraph will be good, adequate, and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c). No further notice is necessary.

123. The Notice of Confirmation will have the effect of an order of the Bankruptcy Court, will constitute sufficient notice of the entry of this Confirmation Order to filing and recording officers, and will be a recordable instrument notwithstanding any contrary provision of applicable non-bankruptcy law.

124. Professionals or other Entities asserting a Professional Fee Claim for services rendered prior to the Confirmation Date must File an application for final allowance of such Fee Claim no later than the Administrative Claims Bar Date. The Reorganized Debtors shall pay Professional Fee Claims in Cash in the amount this Court allows, including from the Professional

Fee Escrow Account, which the Reorganized Debtors will establish in trust for the Professionals and fund with Cash equal to the Professional Fee Amount on the Effective Date.

125. Except as otherwise provided in the Plan, requests for payment of Administrative Claims (other than Professional Fee Claims) must be Filed no later than 30 days following the Effective Date, and requests for payment of Professional Fee Claims must be Filed no later than 45 days following the Effective Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property, and such Administrative Claims will be deemed discharged as of the Effective Date. Payment of the reasonable and documented legal, professional, or other fees and expenses incurred by professionals engaged by the HoldCo Noteholder Committee and Equityholder Committee, as provided for under the Plan, the Plan Support Agreement, the Backstop Approval Order and/or this Confirmation Order, shall not require a request for payment of Administrative Claims to be Filed.

S. Notice of Subsequent Pleadings.

126. Except as otherwise provided in the Plan or in this Confirmation Order, notice of all subsequent pleadings in the Chapter 11 Cases after the Effective Date will be limited to the following parties: (a) the Reorganized Debtors and their counsel; (b) the U.S. Trustee; (c) any party known to be directly affected by the relief sought by such pleadings; and (d) any party that specifically requests additional notice in writing to the Debtors or Reorganized Debtors, as applicable, or files a request for notice under Bankruptcy Rule 2002 after the Effective Date. The Notice and Claims Agent shall not be required to file updated service lists.

T. Securities Law Exemption.

127. Pursuant to section 1145 of the Bankruptcy Code, the issuance of the New Common Stock (including the New Common Stock issuable in accordance with the terms set forth in the Management Incentive Plan) as contemplated by the Plan is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law. The New Common Stock (a) is not a "restricted security" as defined in Rule 144(a)(3) under the Securities Act, and (b) is freely tradable and transferable by any initial recipient thereof that (i) at the time of transfer, is not an "affiliate" of the Reorganized Debtors, as the case may be, as defined in Rule 144(a)(1) under the Securities Act and has not been such an "affiliate" within 90 days of such transfer, and (ii) is not an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code.

128. The Exit Notes will be issued in one or more transactions that are exempt from the registration requirements of Section 5 of the Securities Act (including pursuant to Rule 144A and Regulation S). The Exit Notes will not be freely transferable absent registration under the Securities Act or an exemption therefrom.

129. Notwithstanding anything to the contrary in the Plan, but subject to the terms and conditions of the Exit Facility Documents, no entity may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New Common Stock is exempt from registration.

U. Section 1146 Exemption.

130. Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax

or governmental assessment, to the fullest extent contemplated by section 1146(a) of the Bankruptcy Code, and upon entry of this Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment.

V. Preservation of Causes of Action.

131. Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtors shall have vested in them as of the Effective Date, and the Reorganized Debtors shall retain and may enforce, any claims, demands, rights, defenses and causes of action that the Debtor or the Estate may hold against any Entity. Each Reorganized Debtor or its successor may pursue such retained claims, demands, rights, defenses or causes of action, as appropriate, and may settle such claims after the Effective Date without notice to parties in interest or approval of this Court.

W. Rights of Governmental Units Regarding Releases.

132. For the avoidance of doubt, unless otherwise agreed or consented to by a Governmental Unit, no provision in the Plan or in the Confirmation Order: (a) releases any Released Parties or Exculpated Parties other than the Debtors or Reorganized Debtors from any claim or cause of action held by a Governmental Unit; or (b) enjoins, limits, impairs or delays any Governmental Unit from commencing or continuing any claim, suit, action, proceeding, cause of action, or investigation against any Released Parties or Exculpated Parties other than the Debtors or Reorganized Debtors.

X. Reports.

133. After the Effective Date, the Debtors have no obligation to file with the Bankruptcy Court or serve on any parties reports that the Debtors were obligated to file under the Bankruptcy Code or a Court order, including monthly operating reports (even for those periods for which a monthly operating report was not filed before the Effective Date), ordinary course professional reports, and monthly or quarterly reports for Professionals; *provided* that the Debtors will comply with the U.S. Trustee's quarterly reporting requirements. From Confirmation through the Effective Date the Debtors will file such reports as are required under the Bankruptcy Local Rules.

Y. Effectiveness of All Actions.

134. Except as set forth in the Plan, all actions authorized to be taken pursuant to the Plan shall be effective on, before, or after the Effective Date pursuant to this Confirmation Order, without further application to, or order of the Bankruptcy Court, or further action by the Debtors and/or the Reorganized Debtors and their respective directors, officers, members, or stockholders, and with the effect that such actions had been taken by unanimous action of such officers, directors, managers, members, or stockholders.

Z. Binding Effect.

135. On the date of and after entry of this Confirmation Order and subject to the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement, and this Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors or the Reorganized Debtors, as applicable, any and all holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each

Entity acquiring property under the Plan or this Confirmation Order, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims and Interests shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or Interest has voted on the Plan.

136. Pursuant to section 1141 of the Bankruptcy Code, subject to the occurrence of the Effective Date and subject to the terms of the Plan and this Confirmation Order, all prior orders entered in the Chapter 11 Cases, all documents and agreements executed by the Debtors as authorized and directed thereunder and all motions or requests for relief by the Debtors pending before this Court as of the Effective Date shall be binding upon and shall inure to the benefit of the Debtors, the Reorganized Debtors and their respective successors and assigns.

AA. Directors, Officers and Managers of Reorganized Debtors.

137. As of the Effective Date, the term of the current members of the board of directors of the Debtors shall expire, and the New Boards and the officers of each of the Reorganized Debtors shall be appointed in accordance with the Plan and New Organizational Documents and other constituent documents of each Reorganized Debtor, the New Board for Reorganized HoldCo will be composed of: (a) the five members of the HoldCo Board as of the date prior to the Effective Date; and (b) two additional directors reasonably acceptable to the Chairman of the pre-Effective Date HoldCo Board, selected by the existing board of directors after solicitation from a list of director candidates proposed by individual members of the HoldCo Noteholder Committee and the Equityholder Committee.

138. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors have, to the extent reasonably practicable and known, disclosed in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the New Boards, as well as those Persons that will serve as an officer of Reorganized Ultra or any of the Reorganized Debtors. To

the extent that any director or officer of the Reorganized Debtors has not yet been determined, such determination will be made in accordance with the Plan and New Organizational Documents and such appointment is hereby approved. To the extent any such director or officer is an "insider" under the Bankruptcy Code, the nature of any compensation to be paid to such director or officer has also been disclosed to the extent reasonably practicable. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors. After the Effective Date, each current employee who is party to an employment agreement with the Debtors shall either: (i) have such agreement assumed by the Reorganized Debtors pursuant to the Plan; or (ii) have such agreements, arrangements, programs, and plans continued to be honored by agreement with the Reorganized Debtors. Notwithstanding the foregoing, and unless otherwise provided in the Plan Supplement, all plans or programs calling for stock grants, stock issuances, stock reserves, or stock options shall be deemed rejected with regard to such issuances, grants, reserves, and options. Nothing in the Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans.

BB. Management Incentive Plan.

139. The Management Incentive Plan is hereby approved in all respects. The Initial MIP Grants are approved, and the New Board is authorized to adopt the Management Incentive Plan and grant the remainder of the Share Reserve to management from time to time pursuant thereto.

CC. Ownership and Control.

140. The Consummation of the Plan shall not constitute a change in ownership or change in control, as such terms are used in any statute, regulation, contract, or agreement,

including, but not limited to, any assumption, assumption and assignment, insurance agreement, mortgage, letter of credit, or hedging arrangement, in effect on the applicable Effective Date and to which any Debtor is a party or under any applicable law of any unit of government.

DD. Claims Reconciliation Process.

141. The procedures and responsibilities for, and costs of, reconciling Disputed Claims shall be as set forth in the Plan or as otherwise ordered by the Bankruptcy Court.

142. The Allowed amount of any General Unsecured Claims shall reflect postpetition interest calculated at the Federal Judgment Rate or such other rate as determined by the Bankruptcy Court at any time by Final Order to render such Claims Unimpaired. The Reorganized Debtors and any holders of Class 5 Claims expressly reserve all rights regarding disputes as to the appropriate postpetition interest rate. Therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise) or laches, shall apply to either the Reorganized Debtors or holders of Class 5 Claims regarding disputes as to the appropriate postpetition interest rate.

143. Without limiting the terms of the OpCo Group Stipulation and the Opco Noteholder Group Stipulation, the Reorganized Debtors and any holders of Class 4 Claims expressly reserve all rights regarding disputes as to the appropriate postpetition interest rate. Therefore, no preclusion doctrine, including the doctrine of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to either the Reorganized Debtors or holders of Class 4 Claims regarding disputes as to the appropriate postpetition interest rate.

144. To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the

provisions of the Plan. On the next Distribution Date following the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, or as otherwise agreed, the Reorganized Debtors shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law or pursuant to any Final Order of the Bankruptcy Court with respect to the Allowance of such Disputed Claim. Notwithstanding any other provisions of this Confirmation Order to the contrary, with respect to Disputed Class 4 Claims that ultimately become Allowed Claims, if any, the Reorganized Debtors shall distribute funds from the Reserve Account first to satisfy such Allowed Disputed Class 4 Claims until the Reserve Account no longer has funds before making any distribution from the Reorganized Debtors; provided, that the funds in the Reserve Account shall be released and distributed to the holders of the Class 4 Claims within 10 days after entry of a Final Order Allowing the Disputed Class 4 Claims, in each case, solely to the extent of Allowance of the Disputed Class 4 Claims.

EE. Oil and Gas Property Rights.

145. Holders of any Oil and Gas Property Rights will receive, in the ordinary course of business according to ordinary payment terms and practices, any payments owed to such holders and attributable to revenue held for distribution to them by the Debtors or the Reorganized Debtors, as applicable, under applicable nonbankruptcy law. All Proofs of Claim Filed on account of any such ordinary course revenue payments on account of any Oil and Gas Property Rights held for distribution by the Debtors shall be deemed satisfied and expunged from the Claims Register to the extent such payments have been distributed to the Entity that filed such Proof of Claim, without any further notice to or action, order, or approval of the Bankruptcy Court, as of entry of the Confirmation Order or the date of distribution of the applicable revenue

payment, whichever is later; *provided* that nothing herein shall limit the rights or remedies of the holders of any Oil and Gas Property Rights to enforce any asserted claim for non-payment, breach, or any other asserted remedy in any court of competent jurisdiction and appropriate venue, nor of the Debtors or Reorganized Debtors to oppose jurisdiction and/or venue.

146. The rights, claims, and defenses of the Debtors and Reorganized Debtors, and any holder of any Oil and Gas Property Right with respect to such matters shall be deemed fully reserved and preserved in all respects, including, without limitation, disputes regarding the appropriate postpetition interest rate. Therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise) or laches, shall apply to either the Reorganized Debtors or any holder of any Oil and Gas Property Right regarding disputes as to the appropriate postpetition interest rate. For the avoidance of doubt, the rights of any holder of an Oil and Gas Property Right shall not be altered by the Plan Injunction.

FF. Professional Compensation and Reimbursement Claims.

147. Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and expenses incurred by the Debtors and, to the extent reimbursable under the Backstop Commitment Agreement, the HoldCo Noteholder Committee and Equityholder Committee. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy

Court. In addition, the Debtors and Reorganized Debtors (as applicable) are authorized to pay any and all professional fees as contemplated by and in accordance with the Plan.

GG. Nonseverability of Plan Provisions upon Confirmation.

148. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Confirmation Order will be effective and enforceable immediately upon its entry. Each term and provision of the Plan, and the transactions related thereto as it heretofore may have been altered or interpreted by the Bankruptcy Court is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified except as provided by the Plan or this Confirmation Order; and (c) nonseverable and mutually dependent.

HH. Waiver or Estoppel.

149. Except as otherwise set forth in the Plan or this Confirmation Order, each holder of a Claim or Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured, or not subordinated by virtue of an agreement made with the Debtors or their counsel (or any other Entity), if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers filed with the Bankruptcy Court before the Confirmation Date.

II. Authorization to Consummate.

150. The Debtors are authorized to consummate the Plan, including the transactions contemplated by the Exit Facility Documents, the Rights Offering and the Management Incentive Plan, at any time after the entry of this Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to Consummation set forth in Article IX of the Plan. The substantial consummation of the Plan, within the meaning of sections 1101(2) and 1127 of the Bankruptcy Code, is deemed to occur on the first date, on or

after the Effective Date, on which distributions are made in accordance with the terms of the Plan to holders of any Allowed Claims or Interests.

JJ. Certain Governmental Unit Issues.

151. Nothing in the Confirmation Order or the Plan discharges, releases, precludes, or enjoins: (i) any liability to any Governmental Unit that is not a Claim; (ii) any Claim of a Governmental Unit arising on or after the Effective Date; (iii) any police or regulatory liability to a Governmental Unit that any Entity would be subject to under applicable non-bankruptcy law as the owner or operator of property after the Effective Date; or (iv) any liability to a Governmental Unit under applicable non-bankruptcy law on the part of any Entity other than the Debtors or Reorganized Debtors. Nor shall anything in the Confirmation Order or the Plan enjoin or otherwise bar a Governmental Unit from asserting or enforcing, outside this Court, any liability described in the preceding sentence. Nothing in the Confirmation Order or the Plan shall affect any setoff or recoupment rights of any Governmental Unit under section 553 of the Bankruptcy Code or applicable non-bankruptcy law. Nothing in the Confirmation Order or the Plan divests any tribunal of any jurisdiction it may have under police or regulatory law to adjudicate any defense asserted under the Confirmation Order or the Plan. Nothing in the Confirmation Order or the Plan shall require the United States to file a request for the payment of an expense described in section 503(b)(1)(B) or (C) of the Bankruptcy Code as a condition of it being an Allowed Administrative Claim.

KK. Resolution of OpCo Group and OpCo Noteholder Group Objections [Docket Nos. 1269, 1274].[4]

152. Without limiting the amounts due on the Effective Date pursuant to paragraph 16 of the OpCo Group Stipulation, on the Effective Date, the Debtors shall satisfy in full in Cash the principal amount of, the amendment fees, accrued prepetition interest at the contractual default rate, and postpetition interest at the Federal Judgment Rate as of the Petition Date in respect of the OpCo Funded Debt Claims in an aggregate amount of $2,538,251,561.05; *provided* that such payments shall not prejudice the relief requested by the Debtors or any other party in connection with the Debtors' Claim Objection including, without limitation, the Debtors' right to argue that postpetition interest at the Federal Judgment Rate should be offset against other claims that may be allowed. The balance of the asserted OpCo Funded Debt Claims, including without limitation, on account of the Make-Whole Amount and postpetition interest from the Petition Date accruing at the contractual default rate (compounded at the applicable rate in accordance with the applicable underlying OpCo funded debt agreements), including on the principal, interest and Make-Whole Amounts, and, all unpaid fees and expenses, and postpetition interest at the contractual default rate (compounded at the applicable rate in accordance with the applicable underlying OpCo funded debt agreements) on all unpaid amounts accruing after the Effective Date and any other obligations due under the OpCo MNPA, the OpCo Notes, the OpCo RCF, and their related documents are referred to herein as the "Disputed Class 4 Claims".

4 To the extent terms used in this section are not otherwise defined in this Confirmation Order, such terms shall have the same meaning ascribed to them in the *Stipulation Regarding Reserve for Disputed OpCo Funded Debt Claims and Resolution of Objection to Confirmation of Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1287] (the "OpCo Group Stipulation") and/or the *Stipulation with OpCo Noteholder Group Regarding Reserve for Disputed OpCo Funded Debt Claims and Resolution of Objection to Confirmation of Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1314] (the "OpCo Noteholder Group Stipulation"), as applicable.

153. Prior to the Effective Date, the Debtors will open a new interest bearing account at Bank of America, National Association (the "Depositary Bank") over which the Exit Facility Lenders will not have control (the "Reserve Account"), the sole purpose of which will be to hold funds in trust for the benefit of the holders of the Allowed Class 4 Claims and that will be used to satisfy the Disputed Class 4 Claims that are Allowed by the Bankruptcy Court after the Effective Date. The Reserve Account shall be an Excluded Account (as defined under the Exit Term Loan Credit Agreement and Exit Revolving Credit Agreement). Prior to the Effective Date, the Debtors will (i) grant a security interest in the Reserve Account for the benefit of the holders of Disputed Class 4 Claims, and (ii) enter into a customary deposit account control agreement with the Depositary Bank for the benefit of the holders of Disputed Class 4 Claims; *provided*, that the grant of the security interest and the deposit account control agreement shall be in a form and substance reasonably acceptable to counsel to the OpCo Group and the OpCo Noteholder Group. The Debtors will use commercially reasonable efforts to open the Reserve Account, grant the security interest therein and enter into the deposit account control agreement, each as described in this paragraph, before the date that is five days prior to the Effective Date.

154. The Debtors and Reorganized Debtors, as applicable, will cooperate with the appointment of an agent to the extent the OpCo Group and OpCo Noteholder Group reasonably determines that it is necessary in connection with entry into the deposit account control agreement in the Reserve Account.

155. Within two (2) business days of the Effective Date, the Debtors or the Reorganized Debtors, as applicable, will cause $400,000,000.00 to be deposited in the Reserve Account (together with interest thereon, the "Reserve Funds").

156. Neither the Debtors nor the Reorganized Debtors will seek the release of any portion of the Reserve Funds prior to the Bankruptcy Court's entry of an Order regarding the Allowance of the Disputed Class 4 Claims without the consent of the OpCo Group and the OpCo Noteholder Group. Provided, if a partial release is ordered by the Court or agreed by the parties, the Court will order sufficient reserves to be retained to treat the Allstate claims.

157. The Bankruptcy Court shall retain exclusive jurisdiction with respect to the Reserve Funds, notwithstanding any subsequent bankruptcy proceeding of the Reorganized Debtors.

158. The amount of the Reserve Funds does not represent a determination, cap or other limitation of the Allowed amount (if any) or treatment of the Disputed Class 4 Claims.

159. Except as otherwise provided herein or in the OpCo Group Stipulation and the OpCo Noteholder Group Stipulation, no creditor or any other party shall be granted relief with respect to the Reserve Funds. Except with regards to the holders of Disputed Class 4 Claims that become Allowed, the Reserve Funds shall not constitute part of any party's Allowed claim or distribution.

160. The Reserve Funds shall not be subject to setoff, recoupment or attachment.

161. The Disputed Class 4 Claims shall include, without limitation, any amounts necessary to render the holders of the Allowed OpCo Funded Debt Claims Unimpaired.

162. Any Allowed amount of the Disputed Class 4 Claims or order with respect to the treatment thereof under the Plan shall constitute a joint and several obligation of each of Reorganized Ultra Petroleum Corp., Reorganized Ultra Resources, Inc., and Reorganized UP Energy Corporation.

163. Any Allowed amount of the Disputed Class 4 Claims or treatment of same in accordance with the Plan that is in excess of the Reserve Funds shall be paid by the Reorganized Debtors and distributed to the holders of the Class 4 Claims within ten days after entry of a Final Order Allowing the Disputed Class 4 Claims.

164. Nothing in this Confirmation Order, the OpCo Group Stipulation or the OpCo Noteholder Group Stipulation shall affect the amount of any reserve, escrow or bond that the Bankruptcy Court may order in connection with the Reorganized Debtors' or any other parties' appeal of any Court order issued in connection with the Disputed Class 4 Claims.

165. The Bankruptcy Court will fashion the appropriate appellate reserve, escrow or bond after its ruling in connection with the Allowance of the Disputed Class 4 Claims. All parties in interest shall be permitted to take a position regarding the amount of such reserve, escrow or bond; *provided*, that the Reorganized Debtors shall not be permitted to contest the need for or appropriateness of a reserve, escrow or bond, including without limitation on account of interest accruing on any Allowed portion of the Disputed Class 4 Claims, during the pendency of their appeal, nor shall they be permitted to argue that the continued availability of loans under the exit facility or other cash available to the Reorganized Debtors shall be an appropriate substitute for, or shall reduce the amount of such reserve, escrow or bond.

166. Nothing in the Plan or this Confirmation Order, including without limitation the releases, exculpations and injunctions contained therein, shall be deemed to limit, release or waive any claims, defenses, counterclaims or other arguments of the holders of the OpCo Funded Debt Claims in connection with the Debtors' Claim Objection and joinders thereto.

167. On the Effective Date, the Debtors will pay to the OpCo Group's and the OpCo Noteholder Group's advisors an amount equal to all documented fees and expenses incurred

through the Effective Date in connection with their representation of the OpCo Group and the OpCo Noteholder Group in connection with these Cases. The Debtors will not contest the reasonableness of any such advisor fees and expenses, including without limitation, the Monthly Fees, the Restructuring Fee or any reimbursable expenses contemplated by the Moelis & Company LLC engagement letter incurred on or before and to be paid on the Effective Date. Notwithstanding any other provision of the Plan or this Confirmation Order, all fees and expenses of the OpCo Group and the OpCo Noteholder Group incurred after the Effective Date will be paid by the Reorganized Debtors pursuant to the terms of the OpCo funded debt agreements. The Debtors will withdraw their objection to the OpCo Group's and OpCo Noteholder Group's fees and expenses and file an amendment to the Debtors' Claim Objection to reflect the treatment provided in this paragraph.

168. The OpCo Group and OpCo Noteholder Group shall retain the right to (a) be heard at any hearing before the Bankruptcy Court prior to the April 20, 2017 hearing if the Bankruptcy Court determines based on arguments made by any party other than the OpCo Group or OpCo Noteholder Group or their respective members to hear argument on the merits of the Disputed Class 4 Claims in advance of the April 20, 2017 hearing on the Debtors' Claim Objection and (b) object to any changes made to the Plan or the Confirmation Order subsequent to the date hereof that are inconsistent with the OpCo Group Stipulation or the OpCo Noteholder Group Stipulation or that modify the treatment of the OpCo Funded Debt Claims; *provided* that the OpCo Group and the OpCo Noteholder Group shall not oppose the Debtors' position that the merits of the Disputed Class 4 Claims are properly considered on, but not before, the April 20, 2017 hearing on the Debtors' Claim Objection.

169. Notwithstanding confirmation of the Plan and any other provisions of this Order, the rights of the OpCo Noteholder Group and OpCo Group on behalf of their respective members to contend that the Allowance of the Class 4 Claims and the treatment of the Allowed Class 4 Claims under the Plan must conform to that set out in the *Objection of OpCo Noteholders to Confirmation of Chapter 11 Plan* [Docket No. 1969] or *The Senior Creditor Committee's Objection to Confirmation of the Debtors' Second Amended Plan* [Docket No. 1274], respectively, including any arguments based upon the Plan's treatment of the Claims as Unimpaired, are fully preserved and shall be heard at the April 20, 2017 hearing on the Debtors' Claim Objection; provided that nothing herein shall modify the validity and enforceability of this Confirmation Order or of the Plan.

170. By no later than March 22, 2017, the Debtors will deliver to the OpCo Noteholder Group a good-faith and quantifiable settlement proposal with respect to the Disputed OpCo Funded Debt Claims, which the Debtors would be willing to implement and have the ability to implement, including any required third-party consents, if any. By no later than March 31, 2017, counsel to the OpCo Noteholder Group shall deliver to the Debtors good-faith and quantifiable counterproposal which has the support of a majority of the OpCo Noteholder Group members.

171. By no later than March 22, 2017, the Debtors will deliver to Allstate a good-faith and quantifiable settlement proposal with respect to the Disputed OpCo Funded Debt Claims, which the Debtors would be willing to implement and have the ability to implement, including any required third-party consents, if any. By no later than March 31, 2017, counsel to Allstate shall deliver to the Debtors a good-faith and quantifiable counterproposal. Allstate does not oppose Confirmation of the Plan; *provided*, that this Confirmation Order preserves the right of Allstate to contend that the Allowance of the Class 4 Claims, and the treatment of the Allowed

Class 4 Claims under the Plan, must conform to that set out in the OpCo Noteholder Group Plan Objection in which Allstate filed a joinder [Docket No. 1273].

172. If the Debtors enter into any stipulation, settlement, or other agreement regarding the subject matter of any of the terms of the OpCo Group Stipulation or the OpCo Noteholder Group Stipulation, the terms of which are more favorable to such holders of Class 4 Claims than the terms contained in the OpCo Group Stipulation or the OpCo Noteholder Stipulation, then the Debtors agree that the OpCo Group and the OpCo Noteholder Group and each member thereof shall have the benefit of such stipulation, settlement, or other agreement as if it were fully set forth in the OpCo Group Stipulation and the OpCo Noteholder Group Stipulation.

LL. Resolution of Pennsylvania Commonwealth Objection [Docket No. 1270].

173. The Debtors are parties to certain Oil and Gas Leases to which the Commonwealth of Pennsylvania or any of its departments or divisions (collectively, "PA Commonwealth") is a party (collectively, the "PA Oil and Gas Leases"). Notwithstanding any provisions of the Plan or this Confirmation Order:

a. the PA Commonwealth shall be deemed to have objected to the cure amounts set forth by the Debtors with respect to the PA Oil and Gas Leases, and any disputed cure costs relating to the PA Oil and Gas Leases, including any cure costs with respect to the PA Commonwealth Department of Conservation and Natural Resources' claim which is asserted for at least $40,356.45 relating to the Tract 1040 Lease, shall be promptly paid after the earlier of: (a) the date on which the Debtors and the PA Commonwealth agree to an amount; and (b) the date specified in a final and non-appealable order entered by this Court determining such amount with respect to the applicable PA Oil and Gas Lease; *provided* that, prior to such time, and notwithstanding anything in this Confirmation Order to the contrary, the rights of the Debtors and the PA Commonwealth with respect to such matters shall be deemed preserved and reserved in all respects;

b. the rights and obligations of the Debtor and non-Debtor parties to the PA Oil and Gas Leases under applicable non-bankruptcy law shall not be released or otherwise affected by the Plan or this Confirmation Order, and subject to applicable non-bankruptcy law, the PA Commonwealth will retain and have the right to audit and, if appropriate, collect any additional royalties that are due and owing by any of the Debtors under any applicable PA Oil and Gas Lease without those rights being adversely affected by the Plan or this Confirmation Order; and the Debtors' rights with respect to such matters shall be deemed fully reserved and preserved in all respects; and

c. Contracts, leases, covenants, operating rights agreements or other interests or agreements with the PA Commonwealth, including but not limited to the PA Oil and Gas Leases shall be paid, treated, determined, and administered in the ordinary course of business following the Effective Date in accordance with applicable non-bankruptcy law, and the Debtors' rights with respect to such matters shall be deemed fully reserved and preserved in all respects.

MM. Resolution of the Mineral Payee Plaintiffs' Objection [Docket No. 1252].

174. The *Stipulation with the Jonah LLC Plaintiffs Regarding Resolution of Objection to Confirmation of Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1315] is incorporated by reference herein and is hereby approved.

175. The *Stipulation with the Gasconade Plaintiffs Regarding Resolution of Objection to Confirmation of Debtors' Second Amended Joint Chapter 11 Plan of Reorganization* [Docket No. 1316] is incorporated by reference herein and is hereby approved.

NN. Injunctions and Automatic Stay.

176. Unless otherwise provided in the Plan or this Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or this Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or this Confirmation Order shall remain in full force and effect in accordance with their terms.

OO. Dissolution of the Committee.

177. Except to the extent provided in the Plan, on the Effective Date, the Committee shall dissolve, and the members of the Committee and their respective officers, employees, counsel, advisors and agents shall be released and discharged from further authority, duties,

responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases. Upon dissolution of the Committee, the retention or employment of the Committee's respective attorneys, accountants and other agents shall terminate. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Committee after the Effective Date.

PP. Effect of Non-Occurrence of Conditions to the Effective Date.

178. Notwithstanding the entry of this Confirmation Order, if the Effective Date does not occur on or before the termination of the Plan Support Agreement, the Exit Financing Agreements, or the Backstop Commitment Agreement, then the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by or Claims against or Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors, any holders of a Claim or Interest, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any holders of Claims or Interests, or any other Entity in any respect.

QQ. Effect of Conflict Between Plan and Confirmation Order.

179. In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the Plan Supplement, the terms of the Plan shall control. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

RR. Retention of Jurisdiction.

180. This Court retains jurisdiction over the Chapter 11 Cases, all matters arising out of or related to the Chapter 11 Cases and the Plan, the matters set forth in Article XI, and other applicable provisions of the Plan; *provided* that on and after the Effective Date, this Court shall

not retain jurisdiction over matters arising out of or related to the Exit Financing Agreements and the Exit Facility Documents, and all parties in interest thereunder shall submit to the non-exclusive jurisdiction of any state or federal court of competent jurisdiction in New York County, State of New York in accordance therewith.

SS. Waiver of 14-Day Stay.

181. Notwithstanding Bankruptcy Rule 3020(e), and to the extent applicable, Bankruptcy Rules 6004(h), 7062, and 9014, this Confirmation Order is effective immediately and not subject to any stay.

TT. Final Order.

182. This Confirmation Order is a Final Order and the period in which an appeal must be filed will commence upon entry of this Confirmation Order.

183. This Confirmation Order is effective as of March [14], 2017.

Dated: March [14], 2017
Houston, Texas

THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE